

Corporate Social Responsibility Report 2021



"Two megatrends that will determine our activities in the coming decades are sustainability and digitalisation. Damen embraces these developments. It is our ambition to become the most sustainable and digital shipbuilder in the world."

Arnout Damen Chief Executive Officer Damen Shipyards Group

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Colophon

Should you have any questions or suggestions regarding this report, we gladly engage with you and appreciate any feedback. Please contact: Laure Jacquier, Sustainability Manager Email: sustainability@damen.com Publication date: 30th of April 2022

Disclaimer:

- HR data includes data from our divisions, including all production locations and other companies. The annual CSR report is published in English only and can be found digitally on the company website; Damen.com
 Some of the images used in this report are from before the Corona pandemic. That is why some images have people
- without wearing a mouth mask and without keeping sufficient distance.





En Route

The past few years have certainly not been the calmest we have ever had. And even now, they still aren't. That applies not only to us, the Damen Shipyards Group, but also to society throughout the world. Corona and the war in Ukraine have had, and continue to have, a huge impact.

With two offices in Mykolayiv and Cherson, and more than 200 colleagues in Ukraine, much of our care and attention has gone to them and their families in recent months. But the measures against Russia are also demanding for us, and they have far-reaching implications.

In the past three years, after a period of substantial losses, we have also been concentrating on getting our company back on track economically. We have been successful. We have re-oriented our strategy and cleared the decks. Although the process has been painful at times, non-core assets have been sold, underperforming parts of the company have been reorganised or closed, and real estate has been divested. Management has been replaced, vexed issues addressed, and lingering difficulties resolved. We have given top priority to accelerating professionalisation and the ongoing development of the administrative reporting function in order to enhance control and enable the comprehensive de-risking of operating activities.

I am proud that, in these hectic times, we have not put our corporate social responsibility ambitions on hold. And indeed, we have stepped on the pedal even harder. Moving up a gear in areas such as governance, sustainability, health & safety and supporting local communities. All this in the context of the UN Sustainable Development Goals, Fit for 55 and our own Framework for Sustainability developed on that basis.

You can find an overview of the results and our corporate social responsibility initiatives and programmes in this report. You will see that we have not yet reached our destination but that we are working hard to get there.

I wish to thank all my colleagues for their efforts in this area during the past year.

One Team, One Damen!

Arnout Damen Chief Executive Officer, Damen Shipyards Group

A word from our CEO

Jan-Wim Dekker

Chief Commercial Officer

"As an engineer by training I am thrilled by the new technological challenges and the new solutions that arise from our drive to achieve zero emissions. This is especially true for the interconnectedness of different disciplines, for example how we use our new digital solutions to reduce emissions or better predict the suitability of battery propulsion for a specific operation.

From a commercial perspective, sustainability challenges our organization to dive deeper into the business of our customers, since sustainability does not always sell itself. Not all our customers in all the regions we serve will take the step to sustainability at the same time and at the same pace. This means we need to prove the benefits and find solutions to overcome perceived barriers.

Finally, I am fascinated by the importance our youth places on sustainability. More and more they convince me that it is not just a business opportunity or challenging engineering puzzle, but something we simply must do."





Marc van Heyningen

Chief Operations Officer

"Being sustainable starts in our own operations getting our house in order; we do this through caring for our people and the environment and by making our operations as efficient and clean as possible. We are making good progress in this area with several initiatives at our yards in line with Operational Excellence as one of our company's strategic pillars. We strongly believe that by improving our project execution and our yard operations we can serve our customers better and improve the sustainability of our business. Naturally, this encompasses our ships' performance and integrating new technologies. Damen's strategy regarding operational excellence fully supports our ambitions on sustainability."





Ronald Suhlmann

Chief Financial Officer

"We have seen the role of sustainability in organisations evolve rapidly, from a fashion item just a few years ago to a business essential with legally binding obligations. Most Damen organisations are now working on it, and adding a legal framework is a logical step to ensure improvements are measurable and visible group-wide.

Damen will embrace those developments as they fully align with our sustainability ambitions. We believe it will help us measure, compare and improve. We are eager to see the alignment of requirements between financial and non-financial reporting. The coming years will be marked by more transparent and responsible business, and we are ready to take the lead, open up, and demonstrate our engagement toward a more sustainable Damen. We trust it will lead to even more opportunities."

Mario Herrebout

Company Secretary & Chief Counsel

"For us, sustainability is more than just greening. Tackling the climate issue is essential for the future of our planet. However, en route to realizing our goals in that area, we embrace our responsibilities to our employees and to the communities in which we conduct our business, all around the world.

Adopting sustainability as the core of our company isn't always easy, and the benefits aren't immediately apparent. But with careful planning and implementation, we keep on making steps to a more sustainable, profitable future for us and a better world for everyone."

Core values

P55

Client focused. Adaptable to change Inventiveness. Getting out and about Thinking in opportunities. Providing solutions. Delivering added value.

Guiding principles

Entreprei

- We are driven to understand and fulfil the (present and future) needs of the maritime world. We strive to develop and deliver long-
- term sustainable value.
- We deliver added value while balancing risks and rewards.



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Craftmanship.

Quality. State-of-the-art. Reliable products, reliable organisation. A deal is a deal.

Guiding principles:

- We strive for excellence and aim to continuously improve.
- We work together at a strategic level to inspire, guide and control the entire lifecycle of our solutions.

Fellowship.

Cooperation. Team above individ One Damen. A family-company.

- Guiding principles:
- We are committed to acting together
- in an honest and reliable way.
- We trust our employees and business
- partners to do the right thing.
- We are transparent about what we do and how we do it as one company.

Stewardship.

Long-term focus. Sustainability. Corporate Social Responsibility. Family values.

- Guiding principles:
- We care for the wellbeing of our employees, customers and business partners.
- We feel engaged with local communities and respect our environment.
- We manage and meet expectations of our stakeholders.

Business principles

>> Purpose

Seventy percent of the earth is made up of water. Water connects worlds and allows us to discover. To trade. To provide help. To produce food and generate energy. To relax and enjoy. To ensure global prosperity for next generations and keep the earth habitable with an ever-increasing world population, it is essential that we use the water and the seabed as optimally, but also as responsibly, as possible. At Damen, we provide unprecedented maritime solutions to utilise and protect these possibilities.

>> Vision

Damen Shipyards Group offers versatile platforms that enable our customers worldwide to be successful. Inventive ships that raise the standard in terms of safety, reliability, efficiency, ease of use and sustainability. In fact, we want to be the most sustainable shipbuilder and maritime service provider in the world. Our ambitions lie in circularity and zero-emission sailing. Digitalising our platforms is a precondition for achieving the latter.

In the previous century, we revolutionised shipbuilding. Thanks to standardisation and serial production, we were able to supply our customers faster with better and more reliable ships. More than ninety years and 6,000 ships later, those pillars remain unchanged. Their importance is only increasing in the light of zero-emissions and digitalisation. It is not efficient to find new solutions for every ship to get them green and connected.

Based on our vision of circular, cradle-to-cradle, building, we offer ship-as-a-service concepts, in which clients can opt for payment for use instead of ownership. In this way we keep control over the entire product life cycle: from design, engineering, construction, and maintenance to the recycling of our ships.



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Oceans of Possibilities

>> Mission

By expanding our leading position in standardisation and serial construction in shipbuilding and maritime services, we provide our clients worldwide with state-of-the-art maritime solutions to utilise the increasing possibilities responsibly and efficiently in trade, food, energy and recreation that oceans, seas, lakes and rivers offer to humanity.

We are a family-owned business and stand for fellowship, craftsmanship, entrepreneurship, and stewardship. In every aspect of our business the next generation is our starting point.

We do not build our ships alone, but together with an extensive network of maritime partners worldwide. As a main contractor, we are system integrators par excellence. That's why we firmly believe in the power of sharing. It means that we also use our craftsmanship to build platforms at production facilities that are not ours. In this way, through knowledge transfer, we not only contribute to better, safer, and more eco-friendly ships, but also to sustainable local development and prosperity.

As a family business, we operate independently of stock prices and temporary hypes. Our operating field is global. Our horizon is the long term. We firmly believe in fellowship, but also in the strength of the individual. Each colleague is focused on ensuring truly satisfied clients and making our contribution to a better world for the generations to come.

Company profile

The family-owned Damen Shipyards Group has been in operation for over ninety years and offers maritime solutions worldwide, through design, shipbuilding, ship repair and related services. Damen operates 35 shipyards in thirteen countries. We offer direct employment to more than 10,000 people, bringing together a total production value of 2.3 billion euros and delivering over 140 ships in 2021.

In addition to fellowship, craftsmanship and entrepreneurship, stewardship is a starting point for Damen. We aim to be the most sustainable shipbuilder and maritime service provider in the world. Digitalisation and standardisation of platforms are important preconditions in our operational excellence programme. Our main activities are the design and serial construction of inventive ships by integrating various components and subsystems into high-quality platforms. These activities are supported by a worldwide sales and service network.

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Damen Shipyards Group focuses on niche maritime markets. On workboats for towage, dredging, offshore, fishing, aquaculture, and other markets. On high-speed craft and maritime public transport. On ships for naval purposes and defence & security and on exclusive yachts. In addition, we are also active in (digital and financial) servitisation, the repair and conversion of existing ships and the sale and production of components for the maritime industry.

Company Strategy

During 2019 Damen Shipyards Group recalibrated its course. Efforts are being made to become the most sustainable and digital shipbuilder in the world. To achieve this, the focus is on operational excellence and 'going back to the core': on standardisation and serial construction; the traits that have made Damen great and that are essential to make shipping greener and more connected in an affordable way. Not only because of this, but also due to the introduction of tighter project management within a more dedicated organisation, we are facing the future with confidence.

>> Digitalisation

As a digital solution provider Damen will claim a role in the after-ship delivery market by exploiting our design-data and knowhow into advisory and supporting services. We will valorise our knowhow by translating it in a digital asset 'the digital twin' of our real-life vessel. A digital twin is connected to a real vessel and becomes a so-called smart ship. This smart ship will perform to the maximum design limits. Even more important, it will enable us to support clients throughout the lifetime of their vessel by delivering services and performance upgrades to maximise the effectivity and profitability of the vessel. This way, clients and Damen will benefit from the vessel's earning potential throughout its lifetime.

>> Operational excellence

Continuous improvement, constant quality and focus on quality and efficiency over the complete value chain become the norm within Damen. It is our goal to grow further towards a process driven organisation, maximise client value and minimise waste. We will have to monetise the unexplored economies of scale and synergies that lie within the group of companies.

Operational excellence represents benefits for all of us. It is about making it easier to sell, design, procure, build, deliver, service and so on. This year we want to increase predictability and control throughout the organisation. Tooling will enable us, but the most important change we have to make is creating the right mindset.

>> Sustainability

Damen has the ambition to become the most sustainable maritime solution provider in the world. We will deliver products and services that leave a positive impact on the environment and society, ensuring our long-term resilience.

This is aligned with our values but is also a must have for some of our (listed) customers and financial institutions. The upcoming European regulations will also support this ambition. To realize our ambition, we need:

- to develop sustainable maritime solutions,
- · to invest in our yards to make them fit for the future,
- and we need a strong organization, which is able to support these processes

Divisions can set the pace and focus, according to their own ambitions, market needs and capacities, it's important to keep synergy and coordinate our efforts centrally. Therefore, we have formulated group 2025 targets, and ask the divisions to contribute to these objectives.



Key figures 2021



Markets served





We refer to our website for up-to-date information on market position, vessels sold and delivered, offerings, and financial performances or latest figures.

Global presence

Yards & Companies

Australia Damen Service Hub Brisbane Knud E. Hansen - Perth

Bangladesh Damen Service Hub Dhaka

Belgium Delta Marine Engineering - Temse

Brazil Damen Service Hub Rio de Janeiro

Canada Damen Service Hub Victoria Knud E. Hansen - Upper Tantallon

China Damen Shipyards Changde Damen Yichang Shipyard Damen Marine Components Jiangyin

Curaçao Damen Shiprepair Curaçao

Denmark Knud E. Hansen - Elsinore Knud E. Hansen - Odense

Faroe Islands Knud E. Hansen - Tórshavn

France Damen Shiprepair Brest Damen Shiprepair Dunkerque

Germany Damen Service Hub Hamburg Van der Velden Barkemeyer - Hamburg

Greece Knud E. Hansen - Piraeus

Malaysia Nevesbu - Seri Kembangan

Nigeria Damen Service Hub Port Hartcourt

Oman Albwardy Damen - Sohar

Panama Damen Service Hub Panama City Damen Area Support Panama

Poland Damen Shipyards Kozle Damen Shipyards Gdynia Damen Engineering Gdansk Damen Marine Components Gdansk

DDr Сп

Romania Damen Shipyards Galati Damen Shipyards Mangalia Marine Engineering Galati Van der Velden Barkemeyer - Galati

Russia Damen Service Hub St. Petersburg Damen Engineering St. Petersburg

South Africa Damen Shipyards Cape Town Damen Service Hub Cape Town

Spain Knud E. Hansen - Cádiz

Sweden Damen Oskarshamnsvarvet

Turkey Damen Shipyards Antalya

Ukraine Marine Design Engineering Mykolayiv

United Arab Emirates Damen Service Hub Dubai Albwardy Damen - Dubai Albwardy Damen - Fujairah Albwardy Damen - Sharjah

United Kingdom Damen Service Hub Southampton Knud E. Hansen - London

United States Knud E. Hansen - Fort Lauderdale

Vietnam Damen Song Cam Shipyard

The Netherlands

Gorinchem

Damen Shipyards Group Damen Workboats Damen Projects Damen Technical Cooperation Damen Maritime Ventures Damen Services Damen Financial Services Damen Shipyards Gorinchem Damen Civil + Modular Construction Damen Green Solutions Damen Marine Services Damen Short Sea Cargo Vessels Super Yacht Spares The Lighthouse

Alblasserdam Nevesbu

Amsterdam Damen Shiprepair Amsterdam Damen Shiprepair Oranjewerf Niron Staal Amsterdam

Den Haag Damen Naval - Den Haag

Den Helder Damen Shipyards Den Helder

Drachten Damen Short Sea Cargo Vessels - Drachten

Hardinxveld-Giessendam Damen Shipyards Hardinxveld Damen Marine Components

Harlingen Damen Shiprepair Harlingen

Nijkerk Damen Dredging Equipment



Rotterdam Damen Verolme Rotterdam Damen Harbour & Voyage Rotterdam

Schiedam Damen Shiprepair & Conversion Damen Shiprepair Rotterdam Damen Anchor & Chain Factory Damen Naval - Schiedam

Stellendam Damen Maaskant Shipyards

Texel Damen Shipyards Den Helder - Oudeschild

Vlissingen Damen Yachting Damen Naval Damen Shiprepair Vlissingen Damen Schelde Marine Services

Werkendam Concordia Damen

Zwolle Damen Winch Technology

Damen sustainability roadmap



SPARKY



The world is changing faster than ever with society, government and markets all evolving to meet the demands of a green future., This is especially true for the shipping and manufacturing sectors where there is much work ahead to meet the necessary goals. Damen can and will contribute as much as it can to the process of transforming these sectors into green industries and is focused on improving its roadmap towards a sustainable future.

At Damen we are experiencing big changes regarding our order intake. The proportion of orders that require sustainable considerations to be taken into account is growing rapidly. These demands vary from minor requirements such as scrubber installations to fully electric vessels. With our vision, experience and entrepreneurial mindset, we are eager and proud to be able to meet these demands.

Regulations

Regulations and initiatives such as the Paris agreement, the Fit For 55 initiative, IMO improvements and OECD guidelines are evolving and being implemented at a rapid pace. Damen monitors and adopts these governmental developments at both the national and international levels so as to maintain its status as the benchmark in the maritime industry.

Fit for 55

The Fit for 55 initiative represents an unprecedented effort to review more than 50 European laws and redesign public policies. The plan seeks to turn climate goals into action and aims to cut greenhouse gas emissions (GHG) by 55% by 2030. The most relevant elements of the EU Green Deal for our industry are:

- The carbon adjusted mechanism (CBAM)
- Fuel EU Maritime
- The inclusion of shipping in the EU European Trading System (ETS)
- Improving the energy performance of buildings

IMO

The Marine Environment Protection Committee (MEPC), during their 77th session (MEPC77) agreed to initiate the revision of the Initial IMO Strategy on the Reduction of GHG emissions from ships, recognising the need to strengthen its ambition during the revision process. This need was recognized by the COP 26 conference in view of the urgency for all sectors to accelerate their efforts to reduce GHG emissions.

Besides the regulations formed by local and International bodies, the actions of the leading economies must also be kept in mind. China is especially significant. Its share of the global economy grew to 14% last year and it remains in a consistent second place after the USA with 22%.

In 2021, China enacted its 14th five-year plan which is notable for its focus on a green future and the expansion of its domestic economy while reducing its dependence on the global supply chain

The Dutch government is also planning new regulations that will take effect in 2023. The public affairs department of Damen is in close contact with the Dutch government and will start implementing the upcoming regulations as soon as the official guidance is available.

These upcoming Dutch regulations will be based on the OECD guidelines and Damen is already making preparations by reviewing its businesses to assess their compliance with the OECD requirements.

Implementation globally

One of the more significant challenges for Damen is to implement the high standards that we already have in the Netherlands and Western Europe in its yards around the world. In the Netherlands, the required mindset is now almost universally adopted across the national business culture. This is also clearly visible in all the positive changes that have been made in the headquarters of

Damen. With Damen's sustainable strategy now officially adopted and being implemented ever-wider each day, the new challenge is to make it happen in all Damen's companies around the world.

Damen's sustainability department will strive even more in 2022 to identify new initiatives and opportunities, wherever they may be in the world, to create more sustainable value and positively change Damen's global business culture.

Collaboration

To attain its goal of becoming the world's most sustainable shipbuilder, Damen is always looking ahead. In a world that is changing faster than ever, identifying new markets and sources of demand is crucial for a highly innovative company such as Damen Shipyards.

Damen has always been an integrator of people, innovations and business. In this framework, the current ongoing energy transition presents Damen with many opportunities to develop in new directions and to bring supply and demand together. Last year, Damen maintained its pace of accelerating its business development and its search for new markets. This resulted in the identification of many new business prospects and the discovery of new innovations with potential benefits for the future.

At Damen we not only say that we want to be the most sustainable shipbuilder, we also commit wholeheartedly to our goal.

Over the past few years, we have electrified more than 40 ships and brought the first fully-electric, high bollard pull tug on the market. Damen is number one when it comes to the electrification of vessels

Energy transition

The fast-moving energy transition is accelerating to an even faster pace, and this requires collaboration with fellow companies and our customers. These partnerships enable us to offer a comprehensive menu of sustainable options to the market. This one-stop-shop has the added benefit of making it more attractive to customers' finance departments. Added to this, the cost of financing green investments is falling as they are seen as essential for doing business.

Becoming the most sustainable shipbuilder requires more than just building new vessels. To drive the pace of change even faster, Damen is also a leader in the refit and conversion of existing ships to make them more sustainable.

Damen Sustainability context

The demand for short term, "off-the-shelf" solutions makes the refit process attractive to owners, especially in combination with active marketing and integrated financial services. Together they can assist the decision-making process and stimulate the purchase of green solutions in the near term.

The offshore wind market has been expanding quickly over the last 12 months and today is expanding faster than ever. In particular, the growth in recent entrants such as the USA and Brazil are now accelerating rapidly.

This growth in clean offshore energy is in turn generating significant interest in clean ships to construct and maintain the wind turbines and their infrastructure. Dual-fuel vessels are in particular demand and Damen has a range of proven ships ready to serve these markets.

There is still much discussion about which energy source will ultimately power the vessels of the future. Hydrogen, methanol and full-electrification are all being debated. Damen is looking even further ahead and, in parallel with the debate, analyzing where the most significant benefits can be realized and which fuels can deliver the perfect combination of meeting the vessels' needs and being readily available locally.

One of innovators that Damen is following closely is the company Power to X. It is working on solutions that will enable hydrogen to be produced offshore using the electricity generated by nearby wind farms. This would do away with the need for connections to the land with these stations being used to refuel hydrogen ships offshore. Damen is contributing to this project by designing hydrogen ships capable of refuelling offshore in this way.

In the past, the energy giants focused on investing in oil & gas production. Today, the emphasis has changed completely with investment in green energy the top priority. The USA, the North Sea, Taiwan, the Baltic Sea, and Brazil are all seeing major investments being made in solar and wind energy. Some of these regions, most notably the North Sea, already have highly developed green energy industries.

Damen is also investing in alternative solutions for renewable energy. One example is the start-up Ocean Flow. This company is making rotors that will generate electricity by turning giant turbines positioned within the major ocean currents. Damen shall and will keep searching for exciting projects like this.



The future is ours

Damen has taken the first steps to become the most sustainable shipbuilder in the world and is fully immersed in the rapidly evolving energy transition. Damen feels the responsibility that comes with being an innovative and leading company in the market and will continue to build new relationships with fellow maritime companies on both the supply and customer sides.



In line with our ambition to become the most sustainable maritime solution provider in the world, we have chosen to endorse the sustainable development goals (SDG) of the United Nations. Due to our different activities worldwide, we believe that we can positively contribute and make a difference, directly and through our supply chain.

We chose the SDG's to focus on after a thorough analysis of our internal and external stakeholder expectations, but also of our value chain and the impact we can make with our activities worldwide. Therefore we distinguished between the SDG we can effectively directly influence and the one that we may have an indirect impact on. For the one we can directly influence, we make a distinction between the levels of impact to make sure to act accordingly.



- SDG 7 affordable and sustainable
 - energy
- SDG 8 decent work and economic growth
- SDG 9 industry, innovation and infrastructure
- SDG 11 Sustainable cities
 - and communities
- SDG 12 responsible consumption and production
- SDG 13 Climate action
- SDG 14 Life below water
- SDG 17 Partnership for the goals

Our commitment with the SDG's is fully integrated in our sustainability roadmap to ensure full alignment with our internal initiatives and key performance indicators.



Introduction 3 pillars

Damen's strategy on sustainability is based on three pillars in order to be closely aligned and integrated into our daily business routines. We believe that only a comprehensive integration of the sustainability topics into our daily work can lead to a successful transformation of our business. Each pillar has its own associations with the Sustainable Development Goals to which Damen has committed.

The 3 pillars of our strategy are:

Sustainable organisation

Becoming the most sustainable shipyard means transforming the Damen organization now so that it will be responsive in the future. It means building a strong organisation where the principles of sustainability are fully embedded across all our businesses. To do this we focus on communication to make sure that all employees are aware not only of our ambition and expectations, but also of how they can contribute directly or indirectly to our goals. It is also about making sure that our efforts take place within an efficient framework that allows close monitoring and reporting of our performance. Damen is also committed to creating a diverse team with special attention paid to gender equality and the integration of the next generation into what is still a male-oriented and conservative industry. Damen must represent the society around us and that includes embracing diversity and being committed to a sustainable future.

Sustainable operation

Being aware of the impacts that we make as a company on the people and the environments in which we operate is all part of

Framework for Sustainability

what we call keeping our house in order. We cannot expect our employees to involve themselves in sustainability if we are not making sure that we are operating in ways that are aligned with our ambitions. Therefore we are committed to reducing our impact on the environment, keeping our people safe, providing good working conditions, and of course engaging with the local communities around us. We aim to stimulate local business through our employees, suppliers and co-makers. So when we invest in the local communities we always have the feeling of also investing in the Damen family, enforcing our aim to be one Damen.

Design for Sustainability

It is the nature of our business that our products and services have a significant impact on the world around us. This is because of the materials we use, the extended lifetimes of our products and their end of life. That's why we believe in integrating sustainability as early as possible in the design of our vessels and taking the transition to the circular economy seriously. We need to be responsible for the products that we are putting on to the market and with our new division we are doing just that: keeping ownership and responsibility, offering maritime solutions as a service to our customers and stimulating the transition to new technologies by making them the obvious choice.

Damen vessels are a sign of quality and we believe a sustainable company is one that innovates. That's why we invest in our internal Research and Development team, and work in partnership with different companies from start-ups to well-known leading businesses.



Sustainable organisation

Commitment & progress on sustainable organisation

Moving sustainability from the realm of compliance to being a key driver of performance and innovation will require embedding it deeply into our core strategies. We will do this by ensuring our governance model is adapted accordingly with performance indicators clearly defined so that everyone working for Damen is aware of our ambition and is committed to participating.

Within this first pillar of our strategy for sustainability, we are committing to the following SDGs:

Our ambition

Our motivation

We have over 12.000 pe

our scope of influence

we can get the best out

provide the right knowl and opportunities for p

development. Working

shipbuilders and promo

also a priority to ensure

Providing the skills, knowledge and opportunity to create a sustainable organization and influence people around us.

As well as cooperating with educational establishments to provide students with learning opportunities, Damen offers on-the-job training throughout the group. future.



Increasing equality in the maritime world.

Damen is committed to gender equality in terms of hiring, career development and salary scales, at all levels of the organization.



The shipbuilding industr by a man-only past, but team for the job means equality. We believe that diversity in our teams, e us grow and improve.

Developing a strong and compliant organization, through our supply chain.

Damen is committed to providing good working conditions, fully compliant with international regulations, wherever it operates around the world. Our work building on location ensures the development of sustainable industry in the communities in which we operate, leading to increased employment prospects.

As a maritime solution ourself as part of the ch become sustainable we ourselves to transpare and to ensure our partr are adhering to this. Th priority when looking at assessment.



	Our 2021 archievements
eople directly under and we believe that of them if we edge, competences ersonal with the future ting our sector is our sustainable	 Internal communication and training on sustainability topics, participation to UN SDG international days (ozone depletion, earth day, IWD, fraternity, etc.); organization of Sustainability week; Damen academy (trainings, studies, DLD and DMD programs, e-learnings); Contact with university & high schools to provide opportunities and learning to students (internship & lectures); Damen Services & technical cooperation– Training of crews, companies, etc. (last year for first time HSEQ training to increase safety / environment awareness by customer)
ry is still influenced creating the right diversity and t bringing more verywhere, will help	 Stimulating carrier choice in shipbuilding (activities in high schools, preparatory schools – by Damen yachting, university such as lady's dinner where students can meet Damen professionals in different roles); Damen Yachting has achieved gender equality in its management team; Participation in International Woman Days with workshops and communication. At DSCS, organization of trainings on women's rights (on the yard and in the local community) through a train the trainer model where trainees became ambassadors, in cooperation with local NGO. Same rights / wage scales for men and women within Damen.
provider, we see lain. As such, to need to commit cy and compliance, ers and comakers s is also the top our materiality	 Damen compliance 2.0 Participation in compliance week ICC and organization of workshop on human rights & communication around this topic. Damen Supply Chain is investing in Ecovadis to monitor it's supply chain on compliance with social and environmental requirements. Reporting of information in CSR report, in line with international requirements. Full alignment of policy plans from group to divisions to KPI & quarterly monitoring.

Division's commitment to sustainability



Damen Workboats

The main objective of the Damen Group's sustainability policy is that sustainability is fully integrated in everything we do. This means that sustainability is not just another point on the agenda; sustainability drives the agenda. This is our overall ambition. However, important ingredients for this to succeed are management commitment and the broad engagement of the whole organization and, especially regarding these two aspects, Damen Workboats made important steps in 2021; embedding sustainability in our mission and year plan and engaging our colleagues to contribute and think along with us.

Mission & Year Plan

The Damen Workboats' mission:

Damen Workboats (within the larger purpose of the Damen Shipyards Group) creates sustainable value by providing maritime reliability, safety, and efficiency. We do this by being a reliable and sustainable business partner, and by delivering increasingly reliable, safe, efficient and sustainable ships and services, that are increasingly part of digitized) maritime solutions.

The Damen Workboats Year Plan 2022 contains six main improvement objectives. One of these is sustainability improvements through a strategy that includes safe operations, sustainable products and a tailored approach for sustainable yards. This has resulted in the implementation of a total of seven measures and their accompanying KPIs. These KPIs entail reductions in CO2 emissions, waste generation and fresh water usage, together with improvements in employee commitment, the setting up of local community engagement programs, establishing a carbon offset program relating to travel and ensuring effective implementation of key safety procedures.

Ownership of the above measures lies within the Workboats division management in Gorinchem as well as at the yard management level.

Broad employee engagement

In 2021 the Sustainability Roadmap for Damen was presented by Laure Jacquier from the Workboats Management Team. The team wanted to define practical steps in the roadmap towards a more sustainable organization. An initiative was made by Arnold Koster (Director of Operations) to find out who from the Workboats team would be interested in joining a 'sustainability brainstorm' of initiatives in the broadest sense to identify where we believe we could achieve tangible and relevant results.

A group of Workboats' engineers, project managers and compliance officers gathered together to form a Workboats Sustainability Taskforce and quickly created a list of initiatives within the areas of design, operations, engineering, supply chains, production up to the point of delivery and vessel decommissioning. Out of the initiatives a 'top 10' was agreed and implemented. In 2022 the aim is now to achieve actual results in each of the ten areas. The secret of success is to get started!



Damen Mid-Sized Vessels

The Mid-Sized Vessels(MSV) organization changed considerably in 2021, which made it necessary for everyone involved to get to know each other and to work in a different way. Adopting to a new team and a new way of working is not easy, so time-to-talk sessions were organized in which challenges were discussed openly and engagement encouraged amongst colleagues. In addition, a virtual MSV leadership event was held to bring together the leaders of MSV with the objective of getting them to know each other and to get aligned on the 2022 direction, our key priorities, and the challenges ahead. A follow-up event will take place in 2022 to continue building the leadership group and MSV itself.

Next to the time-to-talk sessions and the leadership meeting, the capabilities of the leadership team have been enriched with 'crucial conversations' training. This training will be rolled out further in 2022 to the entire organization based on the 'train the trainer' principle. These training sessions will make sure that we all speak the same language within the division.

In 2021 the MSV Change Program achieved significant progress in establishing the basic requirements for operational excellence and sustainability within the project organization and the yards in Romania. 63 initiatives were defined and prioritized and cross functional teams have been working on multiple initiatives of which 18 have been completed. These initiatives all contribute to connecting processes and creating synergies between the project organization and the yards.

At the yard in Galati, leaner processes are being considered and there is a focus on controlling projects so as to be able to produce more cost effectively. There is also more attention to be paid to energy usage with the aim of reducing waste and minimising the environmental impact of the yards. One example of this is the use of batteries for peak shaving at times of high electricity demand.



Sustainability is also becoming more important for the markets in which MSV is operating. Clients are asking for solutions with a sustainable aspect, such as lower or zero emissions. In 2021 we delivered eight ferries to Canada for three different clients, all of them with sustainable power generation systems (hybrid, fully electric and/or LNG). We also delivered the largest diamond recovery vessel in the world, an LNG carrier for Estland, several pontoons and many more advanced vessels all over the world.

The contracts that we won that year include two OPVs for an existing customer, two bunker barges, two PSVs (available in stock) including a conversion, several pontoons and a long list of designs and material packages for several clients. Next to these deliveries and contracts, we further developed our knowledge of alternative fuels with the Bibby WaveMaster project and developed a circular baseline for our ferries. As a result, we now aim to offer alternative fuel solutions for all our commercial projects.

In 2022 we will continue with developing our products. We will continue to offer sustainable solutions to our clients and keep exploring the possibilities of methanol and electric charging at windmill parks for offshore vessels. We are also working on a marine aggregate dredger that will be powered by ammonia. Within our project organization and at our yards we continue on our road towards operational excellence and sustainability and, by engaging our colleagues, to build a solid MSV organization. We are also working on improving the gender balance within our teams, as well as working on the compliance of our sub-contractors and the health of our employees. For the sustainability of our business operations there will be a focus on the safety of our colleagues, the reduction of waste, the more efficient use of fresh water, the reduction of CO2 emissions and having a positive impact on the communities in which we operate.

Damen Yachting

Following the introduction of an organized sustainability agenda, Damen Yachting has positioned itself to achieve the Sustainable Development Goals that were selected by the division's management team in 2020.

Over the course of the coming years, Damen Yachting will strive to achieve a leading position within the yacht building industry with regards to Gender Equality and Diversity. This will entail attracting new talent and improving the work environment for everyone already working within the organisation.

On SDG 12, Responsible Consumption and Production, the division has committed to investigating the implementation of circularly or at least sustainably sourced materials for both the construction and the outfitting of the hulls. The necessary investigations will be done in close cooperation with our subcontractors and co-workers at the construction and outfitting yards.

Since a large part of the yachting experience is closely related to enjoying the sea all over the world, Damen Yachting continues to monitor the effects that building and operating our vessels have on marine flora and fauna. As the division's shipyards are all situated close to the sea, respect for the environment is something that is shared by all our employees and which we continue to emphasize in association with various associations and foundations.

In order to measure the contributions being made to achieve the three SDGs, Damen Yachting has started a benchmarking program that combines and connects colleagues and departments throughout the division and the Damen Shipyards Group. The first stage of a life cycle assessment of one of the Amels Limited Editions was concluded in 2021, helping to get a better understanding of how material sourcing and transportation chains affect the carbon footprint of the final product.

Together with another partner association, the carbon dioxide emissions of our products are under investigation in order to draw conclusions for upcoming designs and improvements on current yachts.

Employee well-being and diversity is also under review by management and Human Resources. The 50/50 ratio between male and female directors in the management of Damen Yachting is a motivation to shape other parts of the division towards a more diverse group of employees.

Damen Naval

Damen Naval is a company to be proud of. It makes the most technologically advanced ships for worldwide purposes where the stakes are as high as they can get. The order portfolio of Damen Naval is rock solid and will continue to be so for the foreseeable future. The challenge is to maintain the profitability levels we got used to in the past two decades. On the other hand, Damen Naval will continue to make an important contribution to the group's cash position.

After a decade without orders from our Royal Netherlands Navy, the order for the Combat Support Ship 'Den Helder' placed in February 2020 heralded a return of our 'home customer'.

The contract for four ASW Frigates, replacing the current Belgian and Dutch M-frigates, is expected by 2022/early 2023. As far as the Walrus replacement program, for which SAAB and Damen teamed up in 2015, is concerned, it looks as if the competitive dialogue and ensuing RFQ phase will take a few more years. Other opportunities present themselves in Greece and Portugal.

The future

As a result of the current programs in our home markets (the Netherlands and Germany), the capacity within Damen Naval for new projects is limited. Commercially, we focus on 'connecting programs' whereby Damen Naval offers similar designs to those currently being built for the bigger programs to other, mainly European, countries. Exports outside Europe focus on previously built designs such as the Sigma and LST ranges. In addition to contracts for newbuilds, Damen Naval is also involved in so-called Mid-Life Upgrade programs. These contracts are often offered in combination with other Damen





Group companies such as Damen Shiprepair & Conversion and Damen Naval sister company Nevesbu. Damen Naval wants to professionalise the ILS and Services support so as to provide continuous support to existing and new customers. To set this up we want to cooperate with the existing services network of the Damen Shipyards Group. With the introduction of Salesforce within the commercial department of Damen Naval, we are now aligned with the commercial reporting structure used across the group.

A sustainable future

Further initiatives and research studies will take place to help identify the naval products of the future, with a focus on sustainability, energy efficiency, energy transition and the reduction of emissions. The first approach will be via cooperation with the Netherlands maritime industry, actively participating in initiatives like Dutch Naval Design and the FlexShip concept. These bring together the Defence Material Organisation (DMO), Dutch knowledge institutes and Dutch naval defence industries to work on developing the future sustainable naval vessels for the Royal Netherlands Navy. Disruptive innovation studies will be performed, starting from 2022 onwards, where amongst others, energy-efficient solutions, alternative propulsion concepts and related alternatives for fossil marine fuels will be investigated. Also, participation in EU/Defence studies on future naval concepts will be continued, with a special focus on green investments for these designs. Studies on sustainable future naval products will lead to more environmentally-friendly design solutions, as is already the case for the Royal Netherlands Navy Combat Support Ship, and will also be the case for the future Anti-Submarine Warfare Frigates (ASWF) for the Royal Netherlands and Belgian Navies.

Damen Shiprepair & Conversion

DSC Holding has changed shape with many structural improvements taking place. These improvements are already starting to pay off with the division is currently free of loss-making projects and it financially outperformed the base outlook of 2021. This means we can look forward to a prosperous future.

Other significant improvements include changes to the sales organisation and the related commercial processes. Examples include a new tender management process, improved digital sales, strengthened contract management, and the implementation of a new DSC management manual. We now have a transparent 'tender to delivery' process, more efficient involvement from DSC holding and we are producing more reliable forecasts. In 2021 we also improved HSE working methods and started with the integration of the two Rotterdam yards, enabling workforce capacity sharing between the yards. Another exciting development has been winning the contract the BAAK tunnel sections, which are being built in dock 7 at Damen Verolme Rotterdam.

The future

DSC is going back to the future. Next year we will further strengthen the organisation and continue to focus on

profitability. Dock capacity will be reduced so that dock utilisation will go up. We will continue to look for outside-thebox commercial opportunities such as the BAAK project, in which a construction company has rented the large dock at our VeroIme site to construct elements of the new tunnel in the Rotterdam area.

An increasingly critical enabler for these goals is the use of big data. This development might even develop into a new line of business, which is a great example of digitalisation. Another key priority for DSC is the creation of a safer working environment. Our people are the core of our business, and the well-being of our personnel is a crucial aspect of the theme of sustainability. The limited possibilities of investment challenge us to be selective, but that can never be at the cost of health and safety. Working environments will be assessed and actions taken to make sure that safety is never compromised.

Another critical topic regarding our workforce is succession planning. This is important for talent retention and attraction, as well as for business continuity and sustainability. Finally, to reach our goals together, we will improve the support and added value provided by DSC Holding to our yards.



Damen Maritime Ventures (DMV) is a young and creative portfolio management-oriented division within Damen Shipyards Group. It is part of Damen's overall effort to drive the transformation of the shipbuilding industry and shape the future of maritime solutions.

DMV was founded in 2020 to participate in various ventures by setting up a platform for pragmatic strategic long term portfolio management. We strive to create sustainable growth by maintaining an ecosystem of carefully governed meaningful (ad)ventures. This framework is based on financial and managerial pragmatism and, more importantly, a shift in mindset regarding how and where opportunities should be pursued.

We maximise shareholder impact by adding value through collaboration and pro-active engagement with and between our maritime ventures. We connect our ventures and ideas with operational expertise and world-class infrastructure. We scale the most promising ideas to deliver meaningful impact to Damen. By acting rapidly and with agility on existing and new opportunities, we can differentiate ourselves from the competition and become a leader in our selected specific product, service, and local shipbuilding markets. We help our ventures achieve the next development phase in scale and professionalism, even if this requires investments over ten years or more. To support our ventures, we focus on

2021

2021 was all about incorporating the new entities from other divisions (an increase from eleven to eighteen ventures) without compromising the engagement with our earlier ventures. We also had to address managing Covid, stopping the bleeders, further professionalising our DMV Holding team and optimising our portfolio management and control. We also increased the maturity of our corporate venturing team, and we set up our DMV credit line facility. In addition, we strengthened relationships with Alewijnse and with our Managing Directors. Similarly, we were able to strengthen relationships with our MDs through a physical event in cooperation with Young Damen.



four core strategic themes that will drive the transformation of the shipbuilding industry and shape the future of maritime solutions, and therefore offer unique growth opportunities for our ventures.

- Sustainability: societal challengers drive requirements. Energy transition and emission reduction lead to an ample design space of alternative technologies and topologies.
- Digitalisation: servitisation enabled by digitalisation requires new products and services related to knowledge and capabilities in integrating digital technology in ship design and production.
- Operational excellence: value chain optimisation by digitalisation requires new knowledge and capabilities in our design and production processes.
- Reinventing business value: strategically rethinking what our business's real added value delivers and strengthening or redefining the value proposition.
- We participate in ventures within the maritime sector that meet the following five criteria:
- High degree of autonomy.
- Strong and dedicated management.
- Adding value to / having synergies with other Damen activities.
- A defensible position or a sustainable competitive advantage as a result of a distinct product market combination or a geographic advantage.
- Growth potential through either organic or inorganic growth.

2022

2022 will be dominated by making our DMV Holding organisation more scalable, giving substance to the strategic themes of operational excellence, digitisation, sustainability, and business model reinvention, focusing on portfolio optimisation and the long-term profitability of our ventures. For many of our entities, the challenge lying ahead is in developing and selling standard products in partly new markets to generate sufficient yard loading. The collaboration with Group Sales and other Damen divisions will have to be further intensified to achieve an excellent product-market mix for our division.

We are looking forward to welcoming new ventures like Damen Digital Solutions (i.e. Triton) into our division and strongly believe in the synergies and opportunities we can create between such new ventures and our existing portfolio.

Damen Services

Last year was focused on growth and development. After a year in which COVID severely disrupted our business, it was time to regain momentum. Financially, 2021 was a good year. We over-performed on both sold revenue and margin by approximately 10% compared to our budget.

Progress was made on our IT roadmap and a total of four new service hubs were opened. We also defined four distinct strategic programs to manage and guide all our developments and actions.

- These are:
- 1. Services people
- 2. Business development and growth
- 3. Governance, compliance, and risk
- 4. Operational excellence

We are glad to have made significant progress in all four areas. As part of our business development and growth program, we standardised our new-build related services (training, parts packages, basic digital services, etc). Progress was also made on the Triton proposition. We integrated our asset management tool IBM-Maximo into the Triton platform and can now offer a connected maintenance management system.

Looking ahead

In 2022 we will continue to realise our long-term strategy of focusing on decentralisation and digitisation. Our clients will be offered more local presence, faster response times, remote support, upgrades for their platforms, extensive maintenance contracts and an integrated service proposition. This will also contribute to our drive to dramatically reduce CO2 emissions as travel is one of our biggest sources of emissions. In 2022 we will further update our IT platform. This is vital for the improvement of our performance and is also an essential enabler for further decentralising our service via local service hubs and the continuing development of data-based service propositions. We will also cooperate with Damen Financial Services to offer financing solutions for both propositions. Not only having a local presence but also local sourcing is becoming increasingly important. To have skilled service professionals readily available in all areas of the world is one of our focus areas. Becoming more efficient using digital tooling and reducing our personnel-related costs by reducing overheads and through local sourcing are vital focus areas for the years to come.

At the start of 2022, we have twelve locations where Damen Services is permanently represented. All these service hubs will receive all assistance needed in 2022 to improve their operations, increase their portfolio, grow in volume, and professionalise in the delivery of services. Our skilled workforce, our service hubs and a modern IT landscape are vital to improving our performance further and to continue building our relationship with our customers with the goal of becoming their strategic partner in the delivery of sustainable (e.g. digital) support during the lifecycle of their assets.

We care

We care about our clients and the crews that operate their vessels. We take care of the systems on board and do all that is within our ability and power to help anyone needing assistance or support. We care for each other. Safety is paramount, especially given the nature of our work. We work together with each other, with our clients, our partners and suppliers. We care for the environment. We develop updates and upgrades for existing platforms that will enhance their ability to operate while reducing their environmental footprint during use. This also applies to our own operations. We will continuously improve the usage of digital means to enable swift support, both on-site and remote.



The objective of Damen Financial Services is to challenge the market and internal customers to become lean, digital and sustainable. Those are the principles we apply to each project that we work on.

Our role is to make sustainable opportunities possible. We do so by finding the perfect financing that will extend our customers' possibilities, and also by proactively encouraging our customers and their organizations to make the green choices. We identify financial options and funding sources that will make the "green choice" easier and facilitate a smooth transition to new technology and zero emissions. When our commercial colleagues are aware of all the options out there for green financing, it helps to change the conservative mindset that is widespread in the shipbuilding industry. Money talks, and green financing deals that positively and effectively contribute to Damen's objectives make green solutions the easy choice.

Last year, we focused on e-ferries and ocean research vessels and are now extending our services to, among others, e-tugs, the scaling up and refit of existing vessels (recycling vessels using as few new materials as possible), inland waterways and zero emission transport. We have a variety of projects in the pipeline and are focusing on the ones promising environmentally-advanced techniques that will help the transition to clean maritime solutions. For example, e-tugs, e-ferries, inland waterway vessels and smaller green capital goods.

The maritime industry has to become greener and so we need to promote new technologies and become the shipyard of choice that people will come to first. The next five years are going to be very interesting as owners and operators start getting their fleets ready for the new regulations, in anticipation of the full energy transition. There is a lot of financing and



possibilities out there if we have a concept that works.

The maritime industry has an important role to play in the global energy transition, especially in Europe where there is widespread acceptance among the general public of the need for this to happen. Everyone is talking about sustainability, we are actually making it happen. This is not only true for just Europe, it is also happening in other parts of the world where, if we can offer the right solutions, there is a big market. We are offering integrated solutions, for example in Namibia where we are providing a vessel, its shore charging facilities and the financing.

At Damen we have the necessary technology and expertise. We can deliver green vessels and demonstrate our performance using certified methods, but we still see customers hesitating to make the move. So we have come up with a new concept where we keep ownership of our vessels and instead lease them out. This opens up enormous possibilities. We are receiving a lot of support for prefinancing and exporting, but it's still something very new. Since 2019 we have been actively lobbying to get European and national support and it's paying off, not only on our loans but also for our research work where we have recently obtained a 70 million euro loan for research and development.

At Damen Financial Services we believe in making it possible, and we are happy to receive new initiatives from internal and external customers. To identify all available opportunities we need to work with product and country roadmaps which will help us to become even more adaptable in helping our projects to evolve, together with our customers, using the most advanced techniques and offering the best economically-viable solutions. The transition to new, clean technologies in the maritime industry has begun and we need to take action now if we want to maintain our leading position.

The importance of sustainability for the next generation



Young Damen

Young Damen aims to inspire and retain young talent by providing a platform for young Damen professionals that answers their needs. We do this by organizing events that fit into one or more of the following pillars: developing knowledge and skills, networking, and fun.

Sustainability is a topic that is a high priority for the next and future generations. It is also one of the strategic pillars of Damen. We organized multiple events for our young colleagues related to sustainability over the past year and, in addition to different executive board members, we invited our sustainability manager, Laure Jacquier, for an exclusive interview in the Young Damen College Tour setting. As an extension of Damen Sustainability week 2021 we organized the Young Damen Thinktank in collaboration with Damen Schelde Marine Services (DSMS). During the Thinktank session we looked at the current business model of DSMS and gave advice for a long-term business model and short-term actions to make their business more sustainable. It was very motivating to see DSMS inspired by our advice and taking concrete actions following our visit.

Young Damen was also involved during the management day at Damen Maritime Ventures, where we facilitated a workshop on sustainability based on the three horizons and encouraged all the managing directors to think about their future sustainable business models.

Last but not least, we use the Young Damen community as a sounding board to see what the attitude towards sustainability is within the company. Over the coming year we will continue to spread the word and act on our ambition to become the most sustainable shipbuilder in the world.

Sustainability week 2021

The third Damen Sustainability Week was a bottom-up initiative organized by sustainability-orientated colleagues within the company. That year, the week had an internal focus with the theme being; becoming the most sustainable shipbuilder together. The eight different divisions shared their developments on becoming sustainable organizations, having sustainable business operations and achieving sustainable designs during a series of presentations, workshops and a social event. The week had a hybrid character, which made it possible to reach more than eight hundred Damen employees worldwide, from the Netherlands and Ukraine to Vietnam and South Africa. Besides this, the first Damen sustainability champion was announced. Roosa Joensuu. Roosa works on a part-time basis (two days per week) while writing her Masters thesis in Aerospace Engineering at the Delft University of Technology. In her role at Damen Financial Services, she verifies both technically and financially the market propositions that they are currently working on and monitors project development.





Diana Ponirou - Sales & Sustainability (DSMS)

I started at Damen as a Circular Economy intern, assessing the circularity levels of the Damen Ferry 2306. My academic background in Business & Sustainability equipped me with the knowledge to help businesses develop sustainable strategies. I grew up in Piraeus in a family strongly connected with the maritime world. Therefore becoming part of Damen was an exciting and natural step for me as it combined my passion for sustainability with my love for the shipping industry.

I now work for Damen Schelde Marine Services (DSMS) in Sales & Sustainability. In sales, I focus on the Greek & Cypriot market, supplying our clients with high-quality marine diesel engine parts. In sustainability, I am working on several projects, such as the ISO 14001 certification, to achieve DSMS's ambition to become more sustainable by 2030. I am proud to be a force for positive change for the shipping industry by assisting DSMS's transition towards a sustainable future.



Roosa Joensuu - Trainee at Damen Financial Services (Gorinchem)

'I really enjoyed the sustainability week. The best part was how enthusiastic the presenters were. You could see that they were committed and that it meant a lot to them. For me, sustainability is a factor that pushes me to do more both in my personal and professional life. At Damen, I am part of the Corporate Finance team. People do not automatically link corporate finance with sustainability; however, we are trying to build new business cases for Damen related to social and environmental sustainability.'





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Women in Damen

The Damen team is in essence a diverse team, made up of many different cultures and nationalities from around the world. But we want it to become even more diverse, with an added emphasis on narrowing the gender gap that we still see in our industry. Shipbuilding continues to attract more men than women but, while we are seeing women advancing at all levels of the organisation, we believe a proactive approach is still required to close the gap. All managers and team leaders are encouraged to critically look at their teams and to take the steps to make them more diverse by attracting different kinds of talent that can add perspective, increase creativity and improve employees' engagement.

In an industry that has long been almost exclusively the preserve of men, Damen Shipyards stands out for its success in bringing women into its workforce. And not just in administrative functions. From the Netherlands to China, and from Vietnam to Romania, women in Damen shipyards are taking on technical and production roles that not long ago

would have been unthinkable, and bringing with them skills and perspectives that are invaluable to the company's success. On International Women's Day 2021, Damen Shipyards celebrates the progress that it has achieved so far and looks forward to welcoming more women to every part of the business in the years ahead.

What do you love most about your work?



Lacramioara Birau

Foreman Production Division, Painting Department, Block Painting Workshop, Damen Shipyards Mangalia

For me the best part is when we reach the end of a project and the client is pleased with our work. But there are many other things to enjoy, such as when team communications and collaboration with other departments work really well. And just learning something new contributes to both my professional and personal growth!

Duliba Alexandra-Andreea Ship Coordinator, DS Galati

I think that what I love the most is the fact that I'm lucky enough to participate in the process of building a ship, all the way from starting with a piece of steel plate to delivering a huge vessel. To be able to take part in the launching of a vessel that I've worked on for so long, and to see the looks of satisfaction once all the jobs are done and the ship is ready to depart, it still leaves me speechless.





Pham Thi Nguyet

Begum Gungor QA/QC Engineer, DS Antalya I love the fact that my work has taught me to think in detail about every aspect of ship manufacturing. I have a technical mind and my work allows me to use it to the full. As a woman working in a male dominated industry, I also appreciate being viewed as an equal.



Deng Xingfeng Welder, DS Changde

Dewi Wesselman Group Sustainability Coordinator, DS Gorinchem I find it really motivating to know that when I help to design a ferry, one day it will be built and that the design that I worked on will connect people around the world and that it will be used daily by its crew and many passengers. I really like that I can directly influence the way we design our vessels and the solutions within them in an efficient and sustainable way.



Joana Grilo Project Manager Shipbuilding, Engineering Department, **DS** Gorinchem One of the many things that I love about my work at Damen is the diversity of nationalities among my colleagues and therefore the different cultures and personalities that I encounter. By working in an international environment not only have I become more proficient in my field of expertise due to the continuous flow of different inputs and points of view, but it has also changed me positively as a human being.

Team leader Work preparation/Technical Support/Technical Department, Damen Song Cam Shipyard

I feel happiest at the moment when a vessel is completely outfitted and finalised. It's the feeling of pride when a world class, high quality vessel is handed over to her owner or operator, ready to begin work.



Seeing a women welder focused on completing her job from behind her mask, while in front of her is this beautiful, powerful spark. It is very cool. And, for me, welding is not just a job, it is much more than just bonding two pieces of metal. It is more like the process of creating a piece of art.





The essence of a diverse team













Caring for our people



Human resources

Last year, the further pillarisation of the Gorinchem entity into MSV, MV and Workboats was completed successfully. HR took the lead from an HR administration, HR IT and Works Council point of view. For 2022, the HR outlook is stabilising which enables us to work on the strategic pillars through the full scope of the HR instruments that we have. The plan for 2022 consists of the following subjects and targets.

We expect to service ten groups of new managers, leaders, and project managers. The Damen Academy supports License to Operate (LtO) requirements and compliance checks for our staff for several divisions. The Damen Academy is also increasingly seen as an enabler regarding contracts, especially governmental. It supports the education of clients and the delivery of training. The Global Talent & Performance Cycle has already been in place for several years. Professional groups will be introduced and consolidated over the Damen Group to improve the content.

Damen Academy

Continuous learning and development enables people to stay connected to their company, to keep abreast of new ways of working, and to be more employable for the work of the future. We call this sustainable employability. The Damen Academy offers several training and learning opportunities for Damen employees related to on-boarding, and functional and personal development. There is also a broad variety of online training programs that are free of charge.

Recruitment

The current labour market is challenging in all areas where Damen is actively recruiting. Further investments in recruitment staff are only part of the solution. A new contract with LinkedIn combined with the digitalisation of our search process should improve our employer branding and better target possible recruits. We aim for a better ratio for direct recruitment via the network versus working with agencies. We believe that the quality will improve, which is more sustainable, and that the cost involved will decrease. We will combine recruitment processes for crucial roles within the Group, such as senior project managers. The Damen Career site is the most visited Damen website and in 2022 both the front and backend of the website will undergo a refit.

Global Mobility

The need for a more international mobile workforce increases, not least because of the tight labour market. Currently we are focusing on Dutch outbound ex-pats and a limited number of international employees (via DWI and DWR). We foresee an increase in international staff working globally. A program to unlock the potential in the yards and second key personnel to projects will start in Q1 2022.

As of October 2021, we are managing the HR IT demand function within the HR Group team. The focus is on selecting and implementing the tools to give insights into our workforce's quality and quantity, and managing it. The first goal is to select and implement a Global HRIS system in 2022. Its full implementation will help recruitment, L&D, the Damen Academy and C&B to professionalize their services further and will help our Damen managers and colleagues to actively work on their careers.

In order to actively underpin our Diversity & Inclusion agenda, a dedicated D&I program will help us to better understand our current status with regards to D&I and set targets that will bring us to a better balance that will strengthen our workforce. HR Projects: Engagement. Having postponed the 2019/2020 Global Engagement Survey due to economic and COVID reasons, we are initiating a group-wide Engagement Survey for 2022. Besides general engagement, gaining input on the working environments, development, safety and pay, and compliance and diversity will also be included in the survey. The intention is to conduct the Engagement Survey both in a more condensed way than we did in the past and more frequently.



Communicate to support the change





While everyone understands the need to transition to a sustainable business, it's not always evident to all employees as to how they can play a role. Sustainability can be confusing and difficult to put into practice, so in 2021 we put a lot of effort in getting information to our employees. Our communication plan was aligned with international events, the Damen roadmap and our commitment to the Sustainable Development Goals.

To ensure our communication methods and content were fit for Damen employees, we started by evaluating our internal stakeholders on aspects such as mindset, knowledge, awareness, etc. We then developed a set of communication tools to fit the different needs and analysed the results regularly. However, developing a communication strategy that takes into consideration both the enthusiasm of our young generation and the more conservative parts of the company was challenging.

In support of our overall communication campaign, we launched a new SharePoint site where relevant information can be found by all Damen employees. We also organised events, training and workshops. All information is published and distributed according to a specific style that was developed for this purpose. It allows clear communication while ensuring that sustainable communications are immediately recognised as such by Damen employees.

The ultimate objective of this dedicated communication plan is to stimulate cooperation and sharing of information while engaging all Damen employees with the strategic objective of becoming the most sustainable and digital shipbuilder in the world.

Two events were particularly successful in 2021; our International Women's Day publication where we highlighted biases and shared tips on creating a diverse team, and our workshop for Human Rights Day. Both events contributed to opening the conversation about aspects of sustainability that are not foremost in our minds when we think about a sustainable maritime industry, but should still get the attention they deserve in our day-to-day dealings.

Interaction is key to learning, and we are working on further strengthening our internal communication strategy on sustainability to ensure it fully supports our efforts. We concluded the year with the launch of our quarterly newsletter that informs all employees on internal news related to progress on sustainability within Damen, external development such as regulatory challenges, and other specific topics related to our roadmap and SDG commitment.



Polina Bila Graphic designer Digital services department Viktoria Parakonna **Graphic designer Digital services department**

Our dedicated communication support team at Marine Design Engineering Mykolayiv is working fulltime on supporting internal communication on sustainability and setting up supporting tools.

Denys Bosyy Motion designer **Digital services department**

Corporate Sustainability Reporting Directive



The future of reporting

Measuring and reporting on our progress is an essential part of our sustainable ambitions. After the adoption of our sustainability roadmap in 2020, Damen started the process of reviewing the reporting needs for 2021. This has resulted in a report with an improved structure, where comprehensive data were collected to ensure transparency and a stricter alignment with the GRI (Global Reporting Initiative) standards.

In 2021, the new Corporate Sustainability Reporting Directive (CSRD) proposal was published by the European Union in order to support the European Green Deal. This initiative was adopted by the Dutch government in December, with the publication of a proposal to sign the CSRD into law. While the final details have yet to be announced, as Damen we are already committed to continuing the transformation of our framework to ensure that it is futureproof. From January 2023, we will be ready to comply and report according to the published standards.

This will include:

- Additional disclosures in our reporting such as a more comprehensive description of risks that Damen faces in relation to sustainability matters, including our dependencies and how we manage those risks. It is worth mentioning that many of the required disclosures are already included in our CSR 2021.
- New sustainability standards in our reporting. Examples of new standards are the reporting of energy use and efficiency, social considerations, the risks that we face as a result of the environment and energy transition etc. Although the new set of sustainability reporting standards still need to be adopted by regulatory bodies, we are confident that a major part of the required information is already part of our information and reporting system.
- 3. Digital tagging. Our sustainability reporting needs to be reported in XHTML format and the information must be tagged in accordance with a digital taxonomy. Making use of technology to standardize our sustainability information will help to streamline and automate the reporting process. It also makes the sustainability data more traceable and auditable.

Since the sustainability information has to verified and certified by an external independent auditor, another important target for the coming period is to make our sustainability information easily auditable.

While some preparations for the transition got underway in 2021, 2022 will be the year in which we complete our preparations for CSRD. During 2022 the following activities will be executed to achieve this goal:

- Setting up an integrated CSRD team including all the Damen functions concerned
- Defining (based on standard requirements) the methodologies
 and internal guidelines
- Implementing the procedures and controls required to ensure the data integrity
- Testing of the robustness of the data systems and the effectiveness of controls (including the reporting process)
- · Close involvement of an external auditor in the entire process



Willem Jan Moens

2022 will be a challenging year as we strive to become CSRD compliant. Based on fellowship as one of our core values, I am confident that we as Damen will meet all the CSRD objectives on time. This process will help us to demonstrate that we are well on our way to becoming the most sustainable shipbuilder and maritime service provider in the world.



Commitment & progress on sustainable operations

Our ambition

Our motivation

family. We care about th mission to ensure they c

Protecting the health of our people and Damen employees are p communities.

In our operations, safety and well-being and healthy environmen of personnel is paramount. Damen has robust processes in place to ensure incident avoidance and the control of hazardous materials.



Optimizing our production processes Our activities can have a to avoid waste, limit water consumption and reduce CO2 emissions to a minimum.

Circular principles are being advocated to our production yards, with strict requirements for waste segregation and handling.



13 === -

Giving back to society through strong partnerships.

All our yards have specific projects underway that are aimed at giving back we give to the local com to the communities around them. Through both large and small actions, we and co-makers. aim to build strong partnerships that give back to the community.



live and conduct their li

Our employees and the places of work, so it's or want to contribute in a p invest in a positive future

Sustainable operations

CEREMON

PATA CIL IN RUPPER SARS

Our 2021 archievements

part of the Damen em and make it our can work in a safe t.	 The GRIP program ensured that the same safety and health standards were applied across all Damen operations. Communication tools were made available in local languages; Central reporting of data through Rdrive & Power BI with monthly updates to the highest level of management; All Damen production facilities conformed to certified requirements e.g. ISO 45001; Specific health communication campaigns (e.g. food safety, nosmoking, etc.
a direct impact on e need to ensure es that limit it to the ake into that can influence	 All productions facilities were certified ISO 14001 Waste management projects in DSCS and in DSGa All waste handled by certified third parties Reduction of waste in logistics project in DSAn Participation in World Water Day to raise awareness (promoted by internal communication campaign) New lightning in DSAn to reduce electricity consumption (all DSAn facilities) DSGa and DSMa assessed for CO2 reduction projects. Solar panels trial started at DSGa; Solar panels in NL (one Damen) Working on science-based targets (to be implemented in 2022)
r families generally res near their nly natural that we ositive way. When munities, we also e for our employees	 Various industrial participation projects. School projects in DSMa and DSGa (science and nature projects where young people get the chance to learn in different ways); Waste project in DSCS (getting children involved to ensure that the next generation is more aware of the pollution problem);

Because we care



As a family business, our main focus when talking about health and safety is care and prevention. Processes and procedures are means to an end, but ultimately what we need to focus on is prevention. While digitalisation and automation are key parts of our strategy, our vessels are still built by colleagues and co-makers, and making sure that they come home safely every day is deeply rooted in our core values.

At executive level, we don't so much discuss the number of incidents as their individual impacts. We talk about people, not about percentages. To facilitate this, we changed the reporting system last year to introduce the concept of life altering injury and to ensure that incidents are reported according to their potential as well as actual impact. Monitoring and control has improved through the development of Key Performance Indicators (KPIs) and dashboards for different aspects of our business, and these include of course Health, Safety and the Environment. The divisions' plans for 2022 also contain a new

set of KPIs that are better able to reflect the as-is situation and facilitate progress monitoring.

Further embedding our culture of care is essential. We need to learn from all potential as well as actual incidents that have an impact on people or the environment, and to keep focused on meaningful prevention. This can only be realised through the active involvement of our HSE professionals at yard and division level in sharing information, supporting each other, and ensuring care and prevention are always the first priority.



2021 regrettably started with a fatal incident at the ship repair yard in Amsterdam. While performing a pressure test to a tank a steel lid unexpectedly came loose, with fatal consequences. A full investigation was undertaken and lessons were drawn to improve control over the risks inherently associated with such activities. Most important was the redesign of the equipment that controls the pressure and its redundancy in pressure release in the event of an uncontrolled or accidental pressure build up.

The implementation of severity-based reporting in terms of human harm has led to an increase in awareness throughout the company and across managerial levels. Details and context of incidents and injured parties are reported without any delay. Support is provided after an incident if needed and investigation results are shared within the company to prevent similar things from happening elsewhere.

To further enhance the reporting, the tools in use were upgraded in 2021. New templates and additional process steps in the automated reporting have been developed and are in the process of being implemented. In 2021, the fully revised HAZARD observation form was launched successfully and now enables the reporting of hazards for all areas of health, safety, security, the environment and damage. As part of our goal of continuously improving our culture of safety it is vital that the HAZARD observation form should be easily accessible to all within the company. To achieve this, further steps have been introduced that ensure that the tool is readily accessible by people outside the production organization such as office personnel, visitors and suppliers.

Although trends in incident statistics are stable, we do see differences between our divisions in safety performance. More and more attention is being given to a group-wide implementation of the GRIP standards. GRIP stands for Governance of Risks and Incident Prevention, and has been the Damen safety program for six years. This program defines Damen's safety standards for high risk activities. At the same time, communication materials have been developed, including flyers, posters, safety briefings and animated videos to make people aware of the risks and the required measures for control

After six years a survey was conducted amongst the users of the GRIP program (e.g. production managers, workers, HSE personnel, etc.) to evaluate the program. This survey provided much information on the user-friendliness, the quality and traceability of the information. This resulted in the website

Health and Safety performance 2021



- being upgraded. This process will continue in 2022 when the relaunch is expected.
- Again in 2021, a lot of time and effort was put into distributing communication and information material regarding COVID-19 prevention. Undoubtedly we suffered from this pandemic, like the rest of the world, but besides some smaller outbreaks on certain projects and departments, the preventive measures that we implemented across the globe demonstrated their effectiveness. Most regrettable however are the personal losses of colleagues, family and friends due to the illness.
- All in all, 2021 was considered a stable year with regard to our health and safety performance. Several good improvements were implemented that will also support further developments in 2022. We are and will be relentless in our pursuit of ensuring that no serious harm will come to people that work on our projects across the globe and we are committed to further growing the culture of care within the company.



Health and Safety performance 2021



Incidents statistics







Type of health-related illness ?



Safety observations count per month



Severity based reporting*



* Severity based reporting started medio 2021, and therefore the data represented above do not cover all year 2021 but are given as a representation of the new reporting methodic.

Lost Time Incidents Severity Rate*





Damen Services



Keeping our employees safe & our customers satisfied.

During 2021, the focus of the Damen Services HSE department was once again centred on keeping our traveling colleagues safe from Covid while supporting our customers at the level they are used to. Safety of our employees is an important aspect of our values, so we set up a specific protocol to allow controlled travelling while limiting the risk of infection. We called this protocol "green corridor", and it was later improved and shared with other divisions within Damen. Its starting point was assessing if proposed travel was needed, and then ensuring that the travellers were thoroughly briefed, equipped and organized.

From Covid-focused safety briefings we moved on to the general safety of our employees, with the development of general safety awareness training sessions for all our colleagues, in the office and on site, to be rolled out in 2022. In preparation for those training, we also developed our Life Saving Rules. Addressing dilemmas, especially those due to travel constraints and planning, was an important part of those sessions, encouraging people taking part to feel free to discuss real issues and reflect on their impacts. We also took the opportunity of the safety week to collect our colleagues' feedback and incorporate it into our 10 Life Saving Rules.

Following that we moved on to adapting the training sessions for use by our customers, offering them the benefits of our multifaceted experience of safety on the job at different levels of the organization. This transfer of knowledge and skills is part of the Damen identity. There is no competition when it comes to safety, and we are happy to share all our experience and knowledge with our customers.

Last year we also held our first training session in Djibouti, ensuring that employees are able to identify and address HSE issues at different levels of the organization. Making management part of the training is also key to success, so as to ensure optimum understanding between the different layers and to generate positive reinforcement.

We already have new training programs planned for 2022, and believe this is a great way for Damen Service to participate in Damen's ambition of making shipbuilding and operations safer.



Fighting against Covid-19

As part of our commitment to good health and wellbeing, we have highlighted some initiatives that have taken place across the globe to combat Covid-19.

Damen Shipyards Galati in Romania has been very active in supporting projects that benefit the local community. The inauguration of the pioneering artificial salt mine facility at the Pulmonology Medicine department of the TBC Hospital in 2018 was the first project which highlighted Damen Shipyards Galati's efforts to assist local healthcare.

Efforts were further stepped up with the arrival of Covid-19. Damen allocated funds for medical equipment and Personal Protective Equipment (PPE), as well as two EKG systems, a ventilation system and two disinfectant devices for the Emergency Clinical Hospital, Infectious Diseases Hospital, CFR Hospital, TBC Hospital, SMURD Association and Ambulance Service.

The yard also reacted guickly and sponsored the local Emergency Clinical Hospital by purchasing 2,000 oxygen therapy systems, which were distributed to the sections of the hospital that were being transformed into dedicated Covid-19 treatment wards.

One of the most positive projects that Damen Galati undertook was an internal campaign called 'Near Misses', which aimed to



Damen Romanian yards



identify potentially dangerous hazards. Each time someone made a safety observation, a certain sum of money was added to a fund to raise money for ultrasound machines.

In another important initiative, Damen Shipyards Mangalia also chose to support the local hospital. Given the excellent communication between departments, the drive of all of our colleagues and the top management's involvement in supporting worthy causes, the plan to supply PPE to the local hospital soon got off the ground. This was a true team effort. The legal advisers were ready to instantly help with the paperwork, contracts and approvals, and the colleagues from the HSE Department helped by providing the necessary equipment.

Mangalia is a small town, with 70% of DSMa's employees and their families living there, so being involved in maintaining the health of the local community is also a means of helping and protecting all of our colleagues. The best part of this story for our colleagues in Mangalia is the sense of security, belonging and trust that is built up by working alongside and supporting the local community.

Albwardy Damen



Sustainability on the yards

Albwardy Damen is a joint venture between Albwardy Investment, Dubai, and the Damen Shipyards Group. Both businesses are family-owned companies, each with a long and rich history. Albwardy Damen provides shipbuilding and ship repair services to the Middle East's marine and oil & gas related industries.

In 2018 they celebrated their 40th anniversary together with the opening of a new workshop and office in Dubai Maritime City.

Today they have a total workforce of 1334 employees of 21 different nationalities in three UAE locations: Dubai, Sharjah and Fuiairah.

They repair and build vessels to the highest technical and environmental standards with all key competencies in-house, including an extensive engineering division. The yard is certified by LRQA to ISO 9001, ISO 14001 and ISO 45001.

A high standard

Albwardy Damen is following Damen's strategy of becoming the most sustainable shipbuilder and works to continuously improve its business processes across all areas.

Albwardy Damen is proud of the excellent care that it takes of all its personnel. Its management sees their people as their biggest asset. This resulted in almost 9.85 million safe man-hours by the last quarter of 2021, and nearly 8000 safety interventions by the line management.

These successes are achieved by the high safety standards set by the yard. While Albwardy Damen yard falls under UAE legislation, the protocols enforced are of a higher standard. With this exceptional level of safety, Albwardy Damen yard is proud to accept any high risk project.

The yard feels very much responsible for these high-level procedures and is aware of the importance of the right mindset. To further improve the already high standards of the yard, in 2022 they have introduced a mandatory internal training program for their new employees. This training

program contains 11 modules and it is obligatory that it is completed within the first month of employment.

Environmental protection

To reduce their impact on the environment, Albwardy Damen has implemented multiple procedures to reduce resource utilization and emissions. One of the most significant improvements in recent years has been in reporting. The yard now collects more information than is required, enabling management to monitor their usage and improve their resources even further. For example, they are stringent when it comes to sourcing their fuel and every incoming delivery is checked for its quality. In addition to this, they keep their machinery up to date and undertake periodic preventive maintenance and ensure compliance with all warranty requirements.

Furthermore, they are tracking the rework of semi-finished products, so that they can identify where spillage / rework can be avoided.

The screening process does not only involve assessing the materials and resources used by the yard; this additional monitoring extends to the people side of the company. Safety performance is reviewed every year and where improvements are required additional training sessions and performance reviews are held.

The future

Albwardy Damen will keep on track and continue to improve itself as it has over recent years. In 2022 there are plans for the recycling of waste materials such as used paper, cartons, cardboard etc. A "Safety Week" event is also on the agenda. Albwardy Damen is looking forward to a prosperous and green future.

A constant and worldwide contribution to sustainability

The shipyards that form part of the Workboats division continued their efforts with regard to sustainability by developing several concrete initiatives. These have resulted in improved performance compared to previous years on the main sustainability areas of occupational safety, environmental footprint and local community engagement. The results clearly demonstrate the commitment of the Workboats division to the Damen Shipyards Group vision of becoming the most sustainable shipbuilder in the world. A few examples of what was achieved in 2021 and what we are planning in 2022 are summed up below.

Occupational safety

During 2021, our shipyard in Antalya Turkey (DSAn) celebrated its one year LTI-free milestone. Damen Dredging Equipment even reached the milestone of two years without Lost Time Incidents. These were tremendous achievements that set the bar for our division in the ambition for an incident-free working environment. In 2021, the number of LTIs fell by 40% compared to 2020, outperforming the target of 20% reductions each year. Also, the Lost Time Injury rate dropped by 25%.

These results could not have been achieved without a pro-active focus on safety and thinking ahead by all of our personnel. At all yards, initiatives were taken to improve safe working conditions and to actively stimulate the safety culture. These initiatives varied from specific safety training for newcomers at Damen Song Cam Shipyards (DSCS) to the provision of 'exoskeletons' for welders at Damen Dredging Equipment (DDE), and various active safety campaigns at Damen Shipyards Changde (DSCh). We implemented leading indicators such as the reporting of safety observations by non-HSE personnel. On a divisional level, we launched a H&S Program that contains various initiatives and targets that support our pursuit of reaching the ultimate goal: an 'incident-free' working environment. The H&S program for 2022 contains, among other actions, initiatives aimed at further enhancing our strong safety culture such as the implementation of effective risk management tools, the improvement of incident investigation skills and moves to encourage the sharing of lessons learned.

Environmental footprint

In 2021, significant time and effort was spent within the division and the yards on raising awareness and sharing knowledge with regard to our environmental footprint; CO2 emissions, electricity usage, waste production and water usage. During the Damen global Sustainability Week our yards DSCS and DDE contributed

Damen Workboats



by sharing their knowledge and experiences from reducing their own environmental footprints. At DSAn, the 5th of June's World Environment Day was celebrated together with all their employees' children. During this celebration, the "Zero Waste Certificate" was received by the local government following its implementation of an initiative to segregate more types of waste. Elsewhere, DSCh signed a contract for the installation of 1MW of solar panels on the roof of the main production hall and DDE achieved the ISO 14001 addendum "CO2 Reduction Management System". Last but not least, DDE introduced a VR tool that provides remote assistance to customers, thus reducing the need for travel.

Local community engagement

We believe that our children deserve a cleaner world with less poverty and more opportunities to grow. Our yards and their neighbouring local communities, including their children, are engaged in various activities to promote these goals. At DSAn, we gave the children gifts from the maritime conservation organization Sea Shepherd, thereby raising their awareness of the impact we have on marine ecosystems. At DSCS we donated laptops and PCs to a local school, and the yard also donated rice and other food to a neighbouring community to help overcome food shortages caused by the locking down of the community due to COVID-19 measures. DSCS also funded a COVID-19 vaccination program for the local community. At DSCh we participated in a social responsibility program to support and lift four families out of poverty.

In 2022 we will continue with similar initiatives all over the world, such as social events with families including forest and beach cleaning, and resolving the waste problems of local authorities together with FMOs and local NGOs. We are also planning to install a 'seabin' floating rubbish skimmer.

Environmental data

The Damen group is comprised of many different entities, spread around the world. So obtaining accurate data using a standard format and a common set of definitions can be very challenging. Given our well-known ambitions regarding sustainability, over the past year we intensified our focus on gathering the data that we need to better formulate and direct our drive to improve our performance in this area.

Our objective is to be able to include all Damen entities in next year's report, and to further improve the quality of reporting and verification, which is an important goal that requires continuous attention.

As the activities can differ greatly between Damen entities, we are using a coefficient in our KPIs to benchmark performance and measure progress. The most relevant coefficient is production hours, as shipbuilding is still a manual process where automation is in a very early stage of development.

Carbon footprint

As part of the Damen Leadership Program, a dedicated team of young professionals will assess our current reporting system and support its improvement in 2022, utilising external expertise where needed. Our objective is to formulate science-based targets for the Damen group to be implemented in 2023, so as to affirm our commitment to the Paris Agreement.

Of course, this cannot be achieved without the involvement of our supply chain. So extending our CO2 reporting to scope 3 reporting is also high on the agenda.

A major part of our CO2 emissions is derived from the electricity that we purchase. Our Damen yards and facilities are continuously looking for opportunities to generate or purchase green electricity. For example, at Damen Shiprepair Amsterdam all purchased electricity is sourced from wind energy. Since September 2021, the Amsterdam repair yard has been using hydrotreated vegetable oil (HVO) diesel to generating electricity for the vessels in its docks. This fossil-free fuel reduces the CO2 emission by 90% compared with standard diesel. Since they used more than 700,000 liters of fuel in 2021 this measure has already had a significant impact on the yard's CO2-footprint. From 2022, HVO will be also used as the standard fuel for its forklifts and cherry pickers. All Damen entities are busy with progressively replacing conventional lighting with LED lighting. Other more disruptive ideas are being investigated, such as the recycling of heat generated by a local waste collector incinerator in Damen den Helden.

However, reducing energy use is the paramount sustainability initiative as well as the most effective approach for Damen

Shiprepair Amsterdam to achieve its goals. This is being achieved by focusing on minimizing the consumption of energy by the ships in the yard and its stakeholders. By also 'peakshaving, reducing the purchase of electricity at peaks times by adding input from a battery, "The Skoon Box", managed by a highly innovative power management system and a state of the art small diesel generator, the yard is able to reduce its CO2, NOX and particulate emissions by up to 15-25% per connection. This reduction is based not only on innovative technical solutions, but also on increasing energy awareness among our stakeholders.

Also important in achieving our sustainability goals is the reduction of our gas consumption. Improving the insulation of our buildings and introducing innovations such as smart doors deliver improved efficiencies. The installation of smaller doors in production halls can also bring substantial improvements as demonstrated at Damen den Helder. Our Niron repair yard is also looking at infrared heating supported by high efficiency solar collectors to reduce its consumption of gas. The same system can also be used in the summer to cool the facilities. Overall, we expect the yard to achieve a saving of 29% on its gas consumption and we expect to repay the cost of this investment within two and a half years at current gas prices.

Other environmental initiatives at our yards have covered a broad range of solutions, from waste compactors to minimise the volume of waste and number of journeys required to dispose of it and waste recycling, to optimal route planning for transport. At Damen Marine Services, a new initiative has led to significant reductions in the use of packaging material. Warehouse employees are trying to use less materials in packing, while keeping up to their high standards, and are reusing materials whenever possible. They are also looking at introducing more sustainable materials such as recycled plastic.

Reporting entities

The number of Damen companies reporting their environmental performance (the consumption of electricity, gas and fresh water, and the emission of CO2 and other pollutants) has increased again this year. The target is to have all Damen companies included in the reporting of scope 1 and 2 emissions as well as waste in the 2022 report.

Total carbon footprint Damen group

The carbon footprint per production hour increased in 2021. This was due in particular to the inclusion of all business flights from all the divisions (an extension of the reporting scope) and the decrease of production hours due to covid at some locations while basic electricity and gas consumption was still needed for the reduced crews and to maintain product quality.

Total carbon footprint Damen Shipyards Group (per division)











Damen Marine Components



Easy solutions for significant impact

You don't need to build or repair vessels to contribute to Damen's sustainable agenda, as demonstrated by Damen Marine Components (DMC). DMC designs and manufactures a range of premium systems that are vital for the propulsion, manoeuvring and performance of vessels engaged in all types of maritime activity. These include short sea, deep sea, offshore, ocean-going, inland waterways and naval vessels, and superyachts. Our primary products are nozzles, winches, controls and steering and rudder systems. As well as supplying Damen's global network of shipyards, we work closely with third-party ship building and repair yards and distributors of maritime equipment around the world.

From its new office in Hardinxveld, with a class AAA energy certificate, the company is looking to improve its facilities abroad, especially in Poland. We are planning to improve our offices in Gdansk, and those improvements include insulation and solar panels.

We are also rolling out smaller initiatives, such as our boiler suits. These are currently made from cotton but we are looking with great interest at Lyocell wood pulp material as an alternative. This will significantly reduce the water used in production of the boiler suits. The new suits will also be of high quality, comfortable and made of good breathing material. The test is still ongoing before any roll-out can take place as we are checking that the durability will match the demands of the work. If this initiative is rolled out company-wide, the possible impact can be tremendous: Damen uses circa 24.000 kg of cotton overalls a year (15.000) overalls(2019/2020). With the Lyocell suits, a reduction of 95% of the water use that come with the production and 15% of the CO₂ emmisions can be reduced. Another local initiative is the recycling of personal protective equipment (PPE). We recently purchased circularity boxes where workers can dispose of their PPE so that we can ensure they are recycled into new materials. For this we chose a partner that offers a full guarantee of traceability so we can follow the waste PPE to their ultimate destinations.

Of course, DMC's primary focus is on improving the performance of vessels fitted with our equipment. Recently we launched an improved bow rudder for inland vessels that can significantly reduce fuel consumption when the vessels are traveling empty. Empty inland vessels can waste a lot of fuel by making small course corrections. Conventional methods of correction using stern rudders create additional resistance in the water, costing both speed and fuel. With a rotor in the bow of the vessel, maneuverability is optimised, reducing fuel consumption (exact numbers pending confirmation by independent research).



While Damen Financial Services is focusing on promoting promising environmentally-advanced technologies, we are also taking on the challenge of financing smaller green capital goods.

One typical example of the latter is our cooperation with Skoon, an online marketplace for clean mobile energy, which was initiated last year. As the company is moving toward digital solutions, becoming an online platform, we stepped in to take over their hardware and will further develop this concept in the years to come. This has already led to improvements, for example, at our yard in Amsterdam.

The world's first maritime-certified, multi-purpose battery container will be used to deliver renewable power at our own yards for applications where diesel generators or ships' engines are primarily used at present. This 20-foot container is the first step towards Damen's sustainable battery network for



SKOON Box



- mobile and temporary applications. In time, it can potentially also be deployed for customers worldwide.
- Another successful example is our drive to making ballast water treatment systems available in remote locations. Damen's easy-to-use solution for ballast water treatment, the Class-approved InfaSave, allows for a quick and efficient clean-up of all invasive species and is easily installed on board vessels or on shore, or even on a mobile pontoon. Giving access to these technologies to countries that need them but cannot finance them was one of our goals last year, and we successfully started a financial project for African countries. Namibia was the first beneficiary of this project.





Social transformation through the supply chain

With operations in 29 countries, Damen has an economic impact worldwide. With our Industrial Participation programme, the company aims to ensure that local communities and industries in the countries where we operate also benefit from this impact.

"In addition to the various social projects Damen supports worldwide, we create value via the supply chain of our projects," says Marijke Winiarski, Industrial Participation Manager at Damen. "Using local suppliers and subcontractors allows them to benefit financially but also to pick up knowledge and experience when needed. And because they often call in smaller local companies in turn, and are involved in their own social projects, we generate a positive 'ripple effect' in society throughout the supply chain."

Supporting local communities

South Africa's Cape Town is one of the places where Industrial Participation is a success. In 2018, Damen Shipyards Cape Town (DSCT) was contracted for "Project BIRO", the construction of three Inshore Patrol Vessels for the South African navy. A requirement of the South African government was that at least 50 percent of the value of the contract should flow back into its own industry. "The goal is to keep strategic defence capabilities inside the country's borders while serving its own industry and economy," Winiarski says. "But in countries like South Africa, where there is a lot of inequality, that approach has a lot of social value at the same time."

There are laws and regulations in South Africa to transform the economic system created during the years of apartheid rule: they are known as the BBBEE legislation. The goal is to make previously disadvantaged communities economically stronger, create jobs and transfer knowledge. For example by giving



Marijke Winiarski Industrial Participation Manager

priority in tenders to companies with black owners, shareholders and a high proportion of black employees. But Damen wants to do more than simply comply with legislation and regulations, Winiarski emphasises. "It's about more than ticking the boxes on a compliance list. It is our deeply held belief that our business operations in South Africa must sustainably support local communities."

Transformation of the supply chain

- Reutech Radar Systems (RRS) is one of Project BIRO's subcontractors. It provides the radar tracking systems for the weapon system. It is a large supplier that, in turn, works with smaller subcontractors and an extensive supply chain. The company has been working actively on transforming the supply chain for many years, says CEO Harald Bielfeld. "In line with South African legislation, our suppliers are compliant with the sector codes for Defence and current BBBEE legislation. Because we have been doing this for a long time, we have established a supply chain that complies with those rules and honours their true spirit."
- "For example, we work with a black-owned Small Medium Enterprise called "Radarmakers", that is fully compliant, and has university level trained engineers and programmers, who directly add substantial value to our supply chain. Our company also contributes to the Reunert College. The Reunert College offers a bridging programme to qualifying students, from previously disadvantaged communities, with the primary focus



Reutech Radar Systems (RRS) is one of Project BIRO's subcontractors

on developing talent in the fields of science, mathematics and accounting. They follow a one-year traineeship, after secondary school, that allows them then to enter tertiary study, and get meaningful work, and contribute to the community. They also receive additional life, English language and computer skills."

Structural

Bielfeld thinks it is essential for these activities to be structural and sustainable. "The South African defence budget changes a lot. For our suppliers, that can means that they have work one year and not the next. It is the responsibility, of companies like ours, to ensure that they can survive in difficult situations. We do this by getting them involved in other Projects that we execute alongside Project BIRO. We now have a supply chain, that includes about twenty Small, Medium and Micro Enterprises (SMME): from high-end technical suppliers to companies that provide cleaning and catering services." Winiarski. "As major players, we have an enormous impact because we can offer continuity through our large portfolio of shipbuilding projects. This does involve hundreds of jobs throughout the supply chain." And Damen itself also benefits: "Industrial Participation programmes ensure that we, as Damen, find out about new hidden gems for our supply chain." Kader met foto en titel Harald Bielfeld

Transformation is at the core of our RRS strategy, as an imperative to the growth of the industry and contribution to the South African economy at large. This is evident in the company's procurement spend and its enterprise and supplier development programmes across the group of companies which includes, amongst others incubation of black-owned small, medium and micro-enterprises (SMMEs), coaching, mentorship and financial support.

"We deliberately target partnerships with companies like RRS, which share the Damen vision of transformation," confirms



"We deliberately target partnerships with companies like RRS, which share the Damen vision of transformation," confirms Winiarski. "As major players, we have an enormous impact because we can offer continuity through our large portfolio of shipbuilding projects. This does involve hundreds of jobs throughout the supply chain." And Damen itself also benefits: "Industrial Participation programmes ensure that we, as Damen, find out about new hidden gems for our supply chain."



The BBBEE legislation

The aim of South Africa's "Broad Based Black Economic Empowerment" legislation is to further the economic empowerment of population groups that were disadvantaged by the former apartheid regime. Each company has a scorecard depending on its sector and size. Points are scored on the basis of the opportunities the company offers for previously disadvantaged groups of the population. For example by looking at ownership, management and shareholders, but also at the extent to which the company works on developing talent, the supply chain and the community. This leads to a "compliance level" of 1 (full compliance) to 8 (not at all). The higher the level of compliance, the larger the company's competitive lead.

Technology transfer

Damen also actively helps suppliers in Project BIRO to develop their business operations further. The goal is "technology transfer", with small companies acquiring the knowledge and expertise, and growing independently thereafter. Mvano Marine is one such company. It supplies information, navigation and communications systems, and former DSCT director Jaap de Lange took it by the hand. "We had monthly one-on-one meetings to help us get to the right international standard," says Ngazi Qongqo, the founder of Mvano. "We thought about new business models, forecasting, and strategic partnerships and orders. We learnt a great deal. And in addition, we have now obtained the necessary certifications such as ISO9000."

After Mvano Marine picked up the necessary experience on Project BIRO, Qongqo was introduced to Alphatron Marine through Damen. "At the time, the company didn't have any suppliers in South Africa to comply with the BBBEE legislation. Since February, we have been a fully trained and certified service provider. The great thing is that we can also nominate resellers in turn, allowing us to set up training courses in the rest of Africa and spread access to new knowledge further."

Qongqo owes a lot to South African legislation and Damen's active policy, he says. "It's hard for a small black-owned

CSR in Cape Town

In addition to actively transforming the supply chain, Damen in Cape Town is involved in several CSR projects, says Felicity Hove, HR & Transformation Coordinator at DSCT. "On the basis of existing regulations, we have to allocate 1 percent of revenue to socio-economic development. But we do much more. We work with a range of NGOs. For example, during the corona pandemic, we have donated health kits to healthcare personnel. We donate printers, laptops and school uniforms to schools and orphanages. And recently, we gave mattresses to a childcare facility in a township."

Damen is also working on preparing young people for the maritime sector. "The maritime industry is not very well known in the black community," Hove continues. "That's why we arrange structural support for a number of students on a maritime course so that they can eventually work in this sector." And in Project BIRO as well, DSCT supports its suppliers in various ways. "For example, we provided Africa Projects Consultants (APC) with an interest-free loan for a pipe bending machine. The company got the necessary training and it has been our Enterprise and Supplier Development (ESD) partner for pipes since then."



company to get the necessary training and certificates in the maritime industry, with all those big players as gatekeepers. We can now show potential clients that we work for companies like Damen and Alphatron." On top of that, the dynamism that medium-sized companies like Mvano bring to the market works both ways, he believes: "We have less overhead and we have offices in other African countries. We speak the language and know the local situation, which also makes it easier for you to find suppliers and set up projects there through us."



DTC & Transfer of technology



DTC and its local partners drive sustainability worldwide

As the name implies, at Damen Technical Cooperation (DTC) we work together with our clients and suppliers to deliver everything needed to build any vessel from the Damen portfolio, anywhere in the world. Whether it is just the license and the vessel design, or a full material package, we can make it happen. DTC can provide building assistance and even yard upgrades to make sure that Damen's Health, Safety, Environmental and Quality (HSEQ) standards are followed in the yards with whom we collaborate. Sustainability is a core philosophy of DTC with a focus on local sourcing, technology transfer and long-term client relationships.

An example of a long-term relationship with one of our clients is that with Cotecmar. DTC and Cotecmar have partnered up to build an Oceangoing Scientific Research Vessel (OSRV8316) in Colombia, which will be the largest ship built to date in a South American country. Damen has delivered the basic engineering package and is responsible for purchasing. Cotecmar is producing the detailed design and engineering package including the information required to build the vessel in Colombia. For the project, the local market has been explored to identity what can be purchased locally, such as ground loading, switchboards and firefighting equipment. In addition, we will also support our co-makers and suppliers to establish their own local facilities which will lead to more local jobs. Another important element is the transfer of technology so that they can benefit from Damen quality and access to the latest technologies combined with the convenience of local production. An example of sharing the newest technologies is that we deliver vessels that comply with Tier III performance standards, even though these standards are not obligatory locally. In 2022, a delegation from Cotecmar will also visit Damen in the Netherlands for three months during which they will learn more about our working methods.

In 2022, with every new project that we win we will also offer a Tier III compliant solution or alternative fuel option to the client so that they are fully aware of the sustainable possibilities that Damen has to offer.



Building local competences and multiplying local opportunities

For Damen Services, decentralization is a key theme. In the past, we were a centralized organization based in the Netherlands with a high concentration of Dutch and English service engineers. With our new strategy, we are increasingly operating through decentralized hubs manned by local services engineers. We continue to maintain a pool of experts to support our Europe clients and our hubs, but we believe in transferring where possible competences to local colleagues and expanding local opportunities. We expect our decentralization program to take two or three more years to allow the local hubs to fully mature while still providing high levels of support to our customers.

Hiring local colleagues makes sense. They know the culture and speak the language, and have the competence and capacity to progress and broaden their scope of activities. In conjunction with this move we are working to improve local sourcing to multiply our local effect and further enhance our contribution to the communities in which we operate. Our end objective is to have fully-equipped local hubs running their own local businesses under the Damen standards of quality, services and business practices and each contributing to its local community.

In 2021, we opened a hub in Panama and hired two local employees. They spent six weeks in the Netherlands being trained on how to run a maintenance project. All the vessels that are delivered to the area will be their responsibility, so we expect the hub expand with the addition of a project engineer, a service engineer, a purchaser, etc. We are in fact using our obligation to



Services & decentralisation



deliver warranty services to our international client base to build local capabilities that will be able to deliver local commercial services in the future.

Transfers of knowledge and local partnerships are essential to making this endeavor a success, and the hubs benefit everyone concerned as we create local employment and commercial opportunities. The expansion of the service hub network is also in alignment with our environmental ambitions as they reduce the need for intercontinental travel. Continuing this theme, we are also further developing our remote assistance where we are able to provide real-time support using 3D glasses. Using this technology, issues can be identified and the right measures taken without the need for prior assessment and travel. Together these innovations are the future of delivering support and assistance around the world.

Damen sponsorship

Sponsorship

As a family company, we seek to develop relationships for the long-term with those who share our values of Stewardship, Fellowship, Craftsmanship and Entrepreneurship – locally, nationally and internationally. We believe these values pave the way for sustainability and a connected, healthy society, offering opportunities for prosperity. We look to communicate with those who share our passion and pride for perfection.

Damen's sponsorship activity is intended to support organisations, institutions, and events that share our values and are connected with our work. All sponsorship undertaken by Damen is in accordance with our Business Integrity Policy and Anti-bribery & Corruption Policy. Any sponsorship arrangement we enter into must not directly or indirectly finance religious institutions, pressure groups, political campaigns, parties, or candidates.

In our sponsoring, we focus on five areas connected to our world:

Striving to be good neighbours

Supporting local activities is essential to us. We want to care for our employees and suppliers and the communities in which we operate.

Support for our maritime world

At Damen, we provide solutions that support our maritime industry. This in-depth involvement in our sector includes sponsorship of various maritime initiatives.

Providing access to culture

Cultural heritage is of vital importance to Damen. We strive to partner with artistic institutions; theatres, music, dance, and museums. Our support of such initiatives reaches a large and broad audience.

Enabling social opportunities

Damen supports many social activities and events to enhance pleasure and opportunities for interaction within our societies.

Team spirit & healthy living

As a family business we highly value team spirit and healthy and active lives. This is reflected in our support of numerous local sports clubs and events.

"Our ambition is to be the world's most sustainable shipbuilder. It is my firm belief that this begins at home. This is why we strive to be a good neighbour and give something back to the communities and environments in which we live and work, all around the world."





"Sponsorship provides us with the opportunity to form partnerships and long-term relationships with those who believe in the same values as Damen. Nederlands Dans Theater is one such example. What the dancers do may seem, at first glance, to be a

long way from shipbuilding. But actually, we have much in common. I see a shared pride in what we do, passionately striving for elegance. We have a shared commitment to quality and the composure required to pursue it. And a shared pride in delivering perfection."





Commitment & progress on design for sustainability





Design for sustainability

Our ambition

Building efficient vessels using clean energy.

We are working towards the we can present the market with affordable cleaner solutions.



Cooperating towards innovation and infrastructure improvement.

Damen's work as an integrator - a complete maritime solutions provider means our work goes beyond just the vessel. We are working in partnership with our co-makers and suppliers to develop innovative solutions.

Our motivation

We can only have a positive impact if we actively participate in making sustainable solutions affordable and support our customers in finding the right financing. standardization of efficient solutions, so Clean energy must become the obvious alternative for all our products and services.

can only be done through innovation. We

innovation and we work closely with other

believe that partnerships are vital for

industries and companies to develop

future-proof solutions.

Our 2021 archievements

- Damen Financial Services to finance
- green solutions
- • 7x fully-electric Damen Ferry 2306 E3 Arriva for the City of Copenhagen
- • Sparky RSD-E Tug 2513 for Ports of Auckland
- • Damen Road Ferry 6819 E3 and 9819 E3 for Canada
- Fully-electric Cutter Suction Dredger 650 for an Australian client
- 3x Damen Patrol Vessel 1304 fully-electric for Amsterdam's Water Network Foundation and the Amsterdam Police

The maritime industry needs to change and • Charging station for ferries adapt with the world around us to address • • Solar Duck partnership societal and environmental problems. This • • All R&D projects • DTC / Service work on location that

- improve local infrastructure, knowledge & working conditions.
- Opening new service hub in different countries

Our ambition

Our motivation

Many of our vessels ope

areas. This means that a

design of a new vessel

lifetime extension, must

making those areas mo

Designing solutions that limit their impact on local communities.

Zero emissions public transportation improves the quality of life around the areas in which they operate. Our Customer Finance options improve our clients' access to cleaner technologies.



Building our vessels from cradle to cradle.

We are integrating responsible production and consumption practices into our design and manufacturing processes, and finding ways to objectively measure our performance.



requires a lot of materia economy will not be abl forever. The transition t economy is important f it is in our philosophy to maintain and extend the and to critically look at t materials that we use.

Building, servicing and o

Zero emission vessels.

Our research work has ensured that our Everything we do shoul next generation of vessels will be capable of making a positive contribution towards climate action. Our products are increasingly drawing upon renewable and zero emissions technology.

The future is zero emiss alternative so our vesse climate impact of our ma



Design, production and product performance are optimized towards low passion, so protecting u impact on life below the water surface naturally part of our eng

Water is our playground

Our R&D and Innovation team is focused on minimizing our impact on underwater life. This includes reducing products' noise and emissions.



14 mar new

erate in populated all we do, from the to conversion and contribute to re sustainable.	 Our 2021 archievements Damen Financial services to finance green solutions Noise reduction & measurements Damen Ferries 2306 E3 Arriva Sparky Electric Tug Road ferry 8919 (Canada) Electrically-driven cutter suction dredger 650 Fully hybrid patrol vessels for Amsterdam's Waternet foundation
converting vessels als, so our linear e to support this o a circular or us and logical as build to endure, to e lifetimes of vessels the origin of the	 Participation in PACE via capital coalition equipment to measure the circularity of products – first vessel in CTI tool (the Ferry 2306E3 is already 47.7% circular). Midlife upgrade (Maintenance and modernization) of HNLSM Snellius for the Royal Netherlands Navy (RNLN) Lifetime extensions with InvaSave & scrubbers. Conversions (buoy-laying vessel to inspection and safety vessel, PSV 3300 to fish feed carrier, Oil survey ship to research vessel, refit of M-class frigate). Damen waterbus 2906 E3 and 2306 E3 POW – Interior design based on circular design principles and circular and sustainable materials Damen auction (resell) for maritime parts and components
sions. There is no Is need to adapt. d aim to reduce the aritime solutions.	 • 7x fully-electric Damen Ferry 2306 E3 Arriva for the City of Copenhagen • Sparky RSD-E Tug 2513 for Ports of Auckland • Damen Road Ferry 6819 E3 and 9819 E3 for Canada • Fully-electric Cutter Suction Dredger 650 for an Australian client • 3x Damen Patrol Vessel 1304 fully-electric for Amsterdam's Water Network Foundation and the Amsterdam Police • Research projects (Transform, DACS, ZERO JIP, green maritime Methanol, NAVAIS all electrical & automation projects and SEABAT)
l, livelihood and Inderwater life is gagement.	 All sound and vibration mitigation projects (sound of silence). New technologies integrated in fishing vessels Scrubbers (reducing NOx, CO2, and other emissions that directly affect the water). Participation in Yachting in Water Revolution Foundation.
Reducing GHG offshore vessels



Alternative fuels for offshore support vessels

Last year we investigated a wide range of possibilities for reducing greenhouse gas emissions by offshore support vessels, with the ultimate goal of arriving at a zero-carbon solution. We did this as a member of an industry consortium led by our respected client Bibby Marine, UK.

The consortium as a whole is taking the broadest possible view, including fuel supply, logistics, cost modelling and emission calculations in its investigations. Our task as Damen was to provide a number of different vessel concepts and we used our standard Service Operation Vessel 7017 as a benchmark. This vessel is already highly efficient and fitted with a hybrid power generation system as standard, so we were sure that only drastic measures would be able to yield further reductions in carbon emissions.

Based on the findings of this project we decided that all SOV-class vessels should as standard be offered fully prepared for later conversion to renewable methanol propulsion.

Methanol driven SOVs

Besides our standard offerings for SOVs we are also developing fully-electric SOVs together with offshore charging solutions.

Electrically-driven SOVs

We realize that as a leading ship design and build company we have an obligation to inform our clients about upcoming requirements with regard to carbon neutral vessel operations. Our products typically last 25 to 30 years, and generally speaking it is to be expected that in 2030 vessels will be required to emit approximately 50% less carbon than they do today. Therefore, for all vessels within the offshore group that are not SOVs we aim to offer a carbon neutral option next to the "business as usual" diesel option, starting from 2022.

Moves together with its clients towards sustainable solutions and a sustainable society

Damen Shipyards Hardinxveld is the location where it all started in 1927. Now, more than ninety years later, there is a growing demand for sustainable solutions. Clients with whom we have long lasting relationships are concerned about the next generation and want to invest in more sustainable solutions and reduce their ecological footprints, by even more than are required by current regulations. This not only concerns the reduction of emissions and reducing fuel consumption, there is also a focus on social sustainability and circularity.

In 2021, we signed a contract to build and deliver two fully electric, 13-metre, Patrol Vessels for the City of Amsterdam. These will be able to manoeuvre in the narrow canals of Amsterdam without any emissions. We also have a Social Return commitment with this client where we have agreed to deliver social profit by contributing to employment and in particular the participation in the workforce of people who find themselves to be distanced from the labour market and society. This will be a four year programme. To fulfil our commitment, we will work with foundations such as Stichting Behouden Vaart which focuses on enabling people who find it difficult to access the labour market to work in the maritime sector under professional supervision.





Damen Shipyards Hardinxveld



Jeroen van Woerkum, Commercial Manager at Damen Shipyards Hardinxveld, says, "We are very pleased to be supplying more of the proven DPV 1304 patrol boats to the City of Amsterdam and its police force. They are ideal for operations in restricted inland waterways and with their fully electric propulsion they will undertake their duties in a clean and quiet manner and thereby contribute to a sustainable environment."

In addition to these client collaborations we are also working on research and development projects related to the development on yard numbers like the application of standardized platforms for retrofits to prepare our vessels for the Tier III standards and use alternative propositions. We will continue with these developments in 2022.

Damen Marine Services



Damen Marine Services (DMS) makes Damen quality accessible for every client by chartering and buy back possibilities

Damen does not only sell vessels but we also make vessels accessible for our clients with other business models. At Damen Marine Services (DMS) we give our clients the opportunity to charter vessels from the Damen fleet or a new Damen standardized vessels from stock. Generally vessels are being chartered with crew however in some cases a bare boat charter can be considered.

DMS has proven Damen designs in its fleet, but if vessels needs to be replaced, they are replaced with a sustainable version of the vessel. Diesel vessels can be replaced by a hybrid version, compliant to IMO Tier III standards. Next to this, DMS is a safe way enter the market with new technologies and new concepts to show their value.

After a period of chartering and getting to know the vessel and it's capabilities, the client can decide to buy the vessel. Vessels from the DMS fleet also can be sold as second hand vessels via our Damen Trading company. Because of the Damen quality, the vessels have a high value on the second hand market. By doing so DMS makes sure the Damen quality is more accessible for our clients.



Sustainable design



Road Ferries – electrical system design and approach

Damen Road ferries are a good example of how we are implementing our mission to become the most sustainable and connected shipbuilder in the world. Competing with highways, bridges and tunnels, river crossing ferries act as 'niche players', serving customers that don't want to take a long detour. They connect areas where bridges are not an option and contribute to the accessibility of remote areas. Strong, reliable and delivering a day in, day out, service, these ferries play an important role in many local communities and their people's lives.

Damen builds a wide range of Road Ferries, from sophisticated passenger and car ferries to robust and simple workhorses for customers in all corners of the globe. These vessels, sailing often in densely populated areas, can contribute significantly to local emissions reduction and are often built with sustainable propulsion options.

The sustainable propulsion option which is currently most popular is battery electrification. However, electrifying a ferry is so much more than just putting batteries on board a ship. At Damen, we have developed the knowledge to provide an integral solution where required. Optimizing the complete supply chain involved in electrification results in lower implementation risks and the most efficient operation, from grid connection through to propulsion.. This all starts with a thorough analysis of the operation and an optimization of all its different aspects.

In 2021 we delivered eight road ferries for three different clients in Canada. They are all battery equipped ships designed for fully electric operation. Two ships will start operating fully electric, while the other six are fitted with hybrid technology that will bridge the gap until shore charging infrastructure becomes available. From the exterior details to the engines, the design of the new vessels reduces underwater radiated noise, lowers emissions and improves customer service.

Damen 'Bryggen' City Ferry won the KNVTS Ship of the year Award in 2021

In 2021, the all-electric Ferry 2306 E3 'Bryggen' won the 2021 KNVTS Ship of the Year Award. Bryggen is one of seven Damen Ferries 2306 E3 delivered to Arriva Group Denmark in Copenhagen. In addition to its sustainable angle, the award jury recognized that this new class is an exceptional design that implements a range of innovative digital shipbuilding techniques including remote measurement via a network of

sensors placed inside the vessel. This prestigious prize promotes technological technically innovative ship that has been designed and built largely in the Netherlands.

Servitisation of the city ferries for Rotterdam through collaboration

Damen Financial Services has launched a partnership with Purus Marine, an environmentally-focused maritime vessel and infrastructure company established by EnTrust Global, for the financing of green shipping projects. The partnership, named DP Lease, aims to provide client-centric, flexible and attractively priced long-term lease financing solutions to solve the financing gap created by the additional capital expenditure requirements associated with the purchase of environmentallyadvanced vessels. DP Lease also aims to support the decarbonisation of the maritime industry. The partnership will own environmentally friendly Damen-built vessels which will then be leased to our clients.

The collaboration has started with the ownership of a fleet operating under concessions in Antwerp and Rotterdam and has a majority stake in the operating company Aqualiner Group B.V. The new Rotterdam concession operates nine Damen newbuild ferries, of which six are hybrid 2907s and three fully electric 2306s.

Circular interiors on Rotterdam's city ferries

The interiors of the Damen city ferries for Rotterdam have beendesigned with the principles of the circular economy firmly in mind. That is, the reduction of waste and pollution, the retention of the value of the products used by reuse, repair and remanufacturing, and by recycling which means that waste is not created. In the interiors, for example, the carpets on the floor are made of recycled fishing nets, the vinyl floors can be recycled at the end of their lives and for the seats we have an agreement with the supplier that they will take back the chairs for refurbishment.



Concordia Damen

Affordable and clean energy

Concordia Damen has a long track record in the development of sustainable vessel technology for the inland shipping sector, including a number of hybrid propulsion vessels.

In 2021, Concordia Damen completed the build of the hull of the latest addition to the fleet of A-ROSA Flussschiff, one of Europe's leading operators of river cruises. In line with the principles of both A-ROSA and Concordia Damen, the river cruise ship will have a special focus on minimising the impact it has on its surrounding environment. A-ROSA describes its newbuild as an 'E-Motion' vessel, and it will be equipped with a hybrid propulsion system including a zero-emissions battery drive. A diesel engine will be used for cruising, but when entering and leaving port the ship will switch to an electric engine powered by the battery for emissions-free operations. She will also be fitted for shore power, making her as clean at rest as she is underway. In addition, the hull has been optimised for minimum resistance and all heat and excess energy will be recovered where possible.

"We are delighted to be starting the next stage of this exciting new vessel," says Project Manager Johan Muilenburg. "As a traditional yet innovative shipbuilder we are confident that she will both set a new standard in socially responsible river cruising and exceed the expectations of her guests when it comes to comfort and amenities."

Besides this river cruise vessel, two new inland container vessels have been delivered to Den Bosch Max BV, a joint venture between logistics services provider Nedcargo International BV and inland terminal operator BCTN. Nedcargo ships around 2.5 billion bottles of Heineken beer to the ports of Rotterdam and Antwerp each year.

Both vessels are 90 metres in length and have a beam of 11.5 metres. These dimensions are the maximum possible to allow them to pass through the locks on the Dieze Canal at Engelen, a requirement for accessing the terminal at Den Bosch. However, thanks to an innovative design each is capable of carrying up to 132 TEU, 24 TEU more than previous vessels. Both are also to be equipped to utilise interchangeable, container-sized battery packs; ZESPacks, supplied by Zero Emission Services. Charged using renewable power, a depleted container can be quickly exchanged for a full one at exchange and loading stations.

Last but not least, Concordia Damen has signed a historic contract with Lenten Scheepvaart. The contract, signed on 18th March by Harm Lenten and Concordia Damen CEO Chris Kornet, is for the construction of the first ever inland waterway freight vessel to run on hydrogen.

The vessel, to be named MV Antonie, will be 135 metres long, weigh 3,700 tons and boast a revolutionary fuel cell propulsion system. She will be used to transport salt from Delfzijl in the north of the Netherlands to Botlek in the Port of Rotterdam for Nouryon; a leading global chemicals supplier. Concordia Damen CEO Chris Kornet said of the contract, "At Concordia Damen we have always been at the forefront of bringing increased sustainability to our industry. Greening the inland shipping sector is something which we feel passionate about and we will continue to work towards this goal. I believe there will not be one single way to reduce emissions in our sector, but a number of approaches. Hydrogen is likely to play an important role in the achievement of zero emissions in inland shipping. Lenten Scheepvaart are to be commended for taking this leading role."

Damen Concordia will continue with building eco-friendly vessels, for example the Ab Initio. This advanced vessel will draw upon Concordia Damen's expertise in sustainable shipping solutions. It will feature a hybrid diesel-electric



propulsion system complete with battery pack. Additionally, the Ab Initio will feature solar cells.

As well as being uncompromising in its stance towards sustainability, STC Group required that the vessel be futuristic and distinctive, yet recognisable in appearance. Tim van Berchum, financial manager at Concordia Damen, said, "We are very pleased to be asked by STC Group to build their new training vessel. We are proud to be playing a role in the development of the next generation of maritime personnel. Additionally, Ab Initio is notable for its sustainable characteristics. We see this contract, therefore, as a testimony to the work we have done previously in sustainable vessel construction.

Sustainable ship

Workboats design for sustainability

The Design for Sustainability roadmap for Workboats consists of four main actions:

- Apply the Damen Emission Reduction System (ERS) on as many products as possible not only across the entire Damen portfolio, but also as retrofit options and making it available to third parties
- Apply the Damen E-Drive system across multiple product types within the Workboats portfolio
- Collaborate in industry research programs regarding the feasibility and requirements for applying alternative fuels in our designs
- 3. Implement lifecycle perspective and circularity as part of our design process

Damen Emission Reduction System

During 2021 the Damen ERS was developed further and made compatible with more engine brands and types, thereby broadening its applicability.

Furthermore, the technology was adapted to allow for EU Stage V certification and ULEV notation. Damen is the first and only shipyard so far who has received this certification.

Damen E-Drive

During 2021 the construction of the E-RSD Tug 2513 continued. The first vessel to be fitted with the modular designed Damen E-Drive.

At the same time, in line with our roadmap, the Damen E-Drive system was developed further to enable the design philosophy to be applied to other vessel types such as the Waterbus 2907 and City Ferry 2306. The former being a hybrid vessel and the latter a fully electric vessel.

Due to its modular and layered architecture the DAMEN E-Drive can be applied to multiple applications without requiring complete re-engineering. The Energy Management system of all these vessel types remains the same while the electric motors or battery systems can vary. This results in a robust and reliable design, which of course is essential for our customers.

In 2022 the same system will be applied to our wind farm crew transfer vessels, with the Hybrid Twin Axe 2710 being the first.

Alternative Fuels through Collaboration – MENENS

In 2021 a consortium of 22 shipowners, yards, suppliers, classification societies and knowledge institutes were granted 24 million euros for a research project into accelerating the use of alternative fuels (methanol and hydrogen) within the maritime industry.

Together with Damen R&D, Damen Workboats is also a partner, looking mainly at the requirements these alternative fuels will impose on the designs of the ships.

Engine manufacturers have already indicated they will have engines capable of using these fuels available for the maritime industry by 2026. This means that this research program is well timed to ensure that the whole industry fully realizes the implications of using these types of fuels, from the class societies to the operators, and from the designers to the builders.

DAMEN Workboats has already developed some preliminary 'methanol-ready' designs, which are now being discussed with customers.

Lifecycle perspective and circularity

During 2021 the first real analyses was done on the circularity of one of the Damen products. This was done using a formal methodology provided by the Ellen MacArthur foundation through the Circulytics tool. Damen as whole was rated at 44% circularity and the City Ferry 2306 at 47.7%.

A number of recommendations resulted from this first exercise and these will be followed up in 2022. These are:

- Create SMART targets for circularity performance
- Increase the sourcing of non-raw materials
- Scale up services to keep our vessels in use for longer, and
- Scale up services to reclaim circular materials when the vessels reach their end of life

The first two recommendations are part of the Workboats business plan for 2022



Navigating to Zero

Circular economy



Responsible production and consumption

Damen Shipyards is a worldwide operating company with 35 shipyards and is a manufacturer of capitalintensive assets with lifecycles that span decades. We actively support our customers during these lifecycles with maintenance, repair and conversion services that aim to retain much of the value that we created in the design, engineering and newbuild phase. We foresee major changes and improvements in the coming years with regard to three aspects of our business; sustainability, servitisation supported by digitalisation, and operational excellence. Rather than distinct strategic spearheads, these are strongly interconnected and support our ambition to achieve a circular economy.

Damen and the circular economy action agenda for capital equipment

Damen is actively involved in the Capital Equipment Coalition (CEC) for a circular economy, as part of the Platform for Accelerating the Circular Economy (PACE).

Capital equipment is the buildings, machines, and infrastructure we use to keep our societies running. It includes everything from computer servers to medical scanners, power plants to cars, trains, and ships. They are generally expensive to produce, and they are products that are designed, built and acquired to last, often staying in use for several decades.

A circular economy for capital equipment is important because its production uses 7.2 million tons of raw materials every year, including large amounts of high value metal and mineral resources. Because of the high value resources at stake, the capital equipment sector is leading the way in many aspects of the transition to a circular economy. For example, its customers, mostly in business-to-business settings, are more used to service-based business models which can lead to higher circularity.

With its participation in the CEC, Damen has committed to: Developing a blueprint learning module for increasing employee awareness and skills in the field of circular marketing, sales, design and procurement.

Commercially offering the possibilities to asset owners of carrying out second life operations.

- Developing services to assure end-of-life requirements are carried out in a responsible and circular manner when necessary at the assets' end of technical and economic life.
- Continuing to fully close the loop on lifecycle support to our clients by 2025. Therefore, digitalising Damen-built vessels to gain insights into the full lifecycle of each vessel and so being able to provide advice on optimal usage to extend each asset's lifetime.
- Expanding the green passport services of our portfolio and focusing on creating this service as a standard for our vessels. We have already integrated principles of circularity into parts of our vessels and delivered presentations to internal stakeholders. During a special project, we analysed the lifecycle possibilities of insulation material and took the first steps of developing a blueprint, including metrics. Further developing and implementing metrics will be one of our priorities in the coming years.

Our repair and conversion yards' facilities continue to offer the possibility of extending the lifecycles of vessels. One of our

Rotterdam yards is a certified dismantling facility that offers our customers responsible and circular end-of-life options.

With our Smart Ship project we are working on the digitalisation of Damen vessels. This will give us insights into the full lifecycle. With this, we will be able to offer clients specific advice on the best ways to extend the lives of their assets.

The green passport is offered as an option to our customers to facilitate better traceability of hazardous materials used in the production and maintenance of their vessels.

SDG 12 – responsible production and consumption

2021: setting the circular baseline for Damen at the corporate and product levels

In the Capital Equipment Coalition two assessments have been proposed to set the circular baseline; one on a corporate level for the Damen Group with the Circulytics tool of the Ellen MacArthur Foundation and one on a product level for the Damen Ferry 2306E3 (Copenhagen version) with the CTI Tool (Circular Transition Indicators) developed by the World Business Council for Sustainable Developments (WBCSD), KPMG and Circular-IQ.

Circularity on a corporate level: The Damen Group is 44% circular To assess the circularity baseline at the organization level the Circulytics tool has been used, which evaluates the Damen Group on, among other things, circular strategy and planning, people and skills, products and materials, and circular services.

The available data that has been submitted gives Damen a C-score which corresponds to a 44% score. Based on the outcomes, suggestions have been made to improve this score, such as: create SMART targets for performance and monitor



them at the divisional level, increase the sourcing of non-raw materials, and scale up services to keep our vessels in use for longer and ensure maximum circularity of their materials at the end of life. These recommendations will be picked up in 2022.

Circularity on the product level: The Damen Ferry 2306 E3 47.7% The CTI tool takes into consideration which materials are in the product and combines recycled inflow and recyclability and renewability potential of the outflow to assess its circularity percentage.

At this moment, the Damen Ferry 2306 E3 (Copenhagen version) is 47.7% circular. To improve on our circular ambitions, some recommendations have been suggested, such as increasing the use on non-raw and bio-based materials in the design of the vessels, arrange buy back schemes with suppliers and share knowledge between divisions.

The first improvements have already been implemented in the next generation of the Damen Ferry 2306 E3, which will be sailing in Rotterdam. The ferries for Rotterdam will be exploited with a lease construction and recycled materials have been applied in the interior of the vessels.

The next steps

2021 was about setting the circular baseline. 2022 will be about making Damen and its products more circular. Circularity can only be achieved if all the personnel involved in the design, production and repair are aware of it, so we will work on developing more communication tools for all employees and train designers, procurement, marketing and sales to be able to design for the full lifecycle of a vessel. We will also continue measuring our efforts towards achieving a circular economy and include this in our reporting for more transparency.



Yachting circulair



Refits at Damen Yachting

Unlike commercial ships, due to their material density and composition the scrapping of yachts is often not as financially viable as overhauling and offering them on the market again. Refits are therefore something that most yachts go through and in lifecycle assessments the refit of a yacht is usually seen as the end of one lifecycle and the beginning of another.

Over the past year Damen Yachting has been conducting a refit on the flagship of the Damen fleet, the 83-metre "Here Comes The Sun", including an extension and interior adjustments to suit the new owner. Aside from this project, four other refits are underway.

Damen Yachting offers a variety of options for reducing the impact their yachts have on the environment and to ensure compliance with the increasing legislative requirements for ships. The replacement of conventional lighting with LEDs does not only save energy but also reduces maintenance requirements as the lifespans of these lights exceeds those of conventional lights.

With the change from conventional to bio-degradable oils for hydraulic systems and lubrication, Damen Yachting offers a solution that reduces their environmental impact as well as enabling their yachts to operate in certain waters with particular restrictions.

To guarantee that our ships do not disturb the integrity of ecosystems in which they sail, ballast water treatment is an

important upgrade that is also offered as refit projects. With this system, the accidental introduction of invasive species into a new ecosystem can be inhibited without limiting the operations of the vessel in any way.

One of the biggest upgrades when it comes to having a positive impact on a vessel's immediate environment is the implementation of soot filters in the exhaust gas system, also known as scrubbers. While current legislation requires these systems to be fitted in most new-builds, it did not come into place until a few years ago. This means that large parts of the operating fleet are not yet equipped with exhaust gas treatment systems.

As the design of a superyacht cannot always foresee these future changes, space requirements and power limitations can be challenging factors in refit projects. But with new technologies being introduced into the market these can be mitigated, allowing more vessels to have the opportunity to reduce their environmental impact.



How servitisation is helping the circular approach of Damen

With our lease services, where we take responsibility for the lifecycles of our vessels, circularity becomes automatically an important element of our work.

One typical project in that regard is the brand new HDPE (High Density Poly Ethylene) boats that we have ordered from our colleagues at Damen Green. The boats are partially made of recycled plastic and are equipped with electric thrusters to sail emissions free like, for example, our water taxis. When you start using recycled plastic, it is our belief that you have to be able to reuse it again at its end of life, even in remote locations, so this was one of our requirements. So those circular vessels can be transported in a standard container, will be built from waste streams to be leased and then recycled again. We will keep ownership and responsibility throughout.



Servitisation



In order to build them as efficiently as possible, we have also facilitated the robotization of the environment in Gorinchem for series build, delivering a 10-week production time. We also looked at the batteries, choosing a solution that can be used for multiple purposes and be plugged in anywhere. They can even be rented out separately to power other electrical equipment, for example construction engines on a pontoon, or even be aggregated to provide a more powerful solution. We will deliver our first HDPE boats in Kenya and, as soon as we have a proven concept, we will scale up and be able to export them to any country, at the same time enabling the recycling of the plastics on location into smaller vessels that can later be recycled as well.

Innovation



Research Development & Innovation; at a glance

Damen's Research Development & Innovation organisation supports all of Damen's divisions by jointly developing and implementing knowledge and technology. In doing so it contributes to the Group's ambition of becoming the most sustainable shipbuilder in the world. Decarbonisation and the energy transition were important drivers for its research activities in 2021. The RD&I portfolio encompassed around 70 active research projects during the year. Fifty-five dedicated research and development engineers have contributed to the RD&I activities both in internal projects and in collaborative initiatives with the divisions within the Damen group, and with organisations in the private and public domains such as universities, institutes, suppliers, and industry partners.

When it comes to assessing alternatives to fossil fuels Damen has drafted a clear vision, giving direction while no solution is excluded. The expectation is that all solutions will have a position and a value in the energy transition. In 2021, RD&I's efforts led to the successful evaluation of a Dutch funded research project called MENENS. A €24 million grant was awarded by the Dutch government for the development of methanol as a low-carbon shipping fuel, as a step towards emission-free Dutch shipping. Damen RD&I is participating in the consortium working on the project together with Damen Workboats.

2021 also marked the start of the last projects to be done under the EU Horizon 2020 funding program. Damen joined another two projects looking at the development of hydrogen as a fuel. e-SHyIPS aims to define new guidelines for an effective introduction of hydrogen into the maritime passenger transport sector, and STASHH is focusing on the development of standard sized, fuel cell modules for heavy duty applications.

In 2021 we also continued to invest in deepening our knowledge regarding the electrification of our ships. We actively participated in the EU Horizon 2020 project SEABAT, which also started early in 2021. SEABAT is developing a modular, fully electric maritime

hybrid battery concept that will substantially reduce the costs of large waterborne battery systems delivering more than 1MW/h. In that same year we launched our own laboratory, the E-Lab. This delivers the ideal environment for testing the integration of all components in advanced electric vessels.

RD&I is traditionally strong on research into the impact on the marine environment of the sounds generated by ships. In recent years, interest in underwater radiated noise has significantly increased and Damen is putting considerable effort into minimizing the impact on the environment caused by the sounds made by ships. 2021 was marked by investigations into propeller noise. Using our own patented measurement system, we conducted another five underwater noise measurement projects.

Damen's values strongly resonate within RD&I. The spinoff of Solar Duck is an example of that. Innovative entrepreneurs from the department developed a solution for an adjacent market; cost-effective offshore floating solar energy solutions. Harvesting energy with solar panels requires space. Placing them offshore could be a solution to this problem but it requires additional development work to optimise it for the challenging environment.



Pieter Huyskens - Manager Research and Development • Expertise Center Research & Development

"Technology and innovation will be crucial in the transition to CO2 neutral and zero-emission shipping. Damen RD&I develops the technology and know-how required for Damen to be at the forefront of this transition to become the most sustainable shipyard."

FULL SPEED AHEAD ON RESEARCH INTO SHIP PROPELLER NOISE

Can we turn it down a little?

What exactly do whales, dolphins and seals hear when ships sail by? And how disturbing is it to them? Biologists worldwide are attempting to establish what noise level is acceptable. Ahead of possible regulations in this area, Damen is conducting extensive research into underwater noise. Principal Research Engineer in the R&D department Tjakko Keizer gives us an update on one of the brain teasers: the noise made by ship's propellers.

"As a shipyard, we want to establish exactly how much noise our ships make. Then we can take that into account when esigning new vessels", says Tjakko. Together with Izak Goedbloed, he is heading up the 'Pursuit' project – a study into the underwater noise made by Damen's ships. The researchers are developing a mathematical model that makes predictions about the underwater noise to which animals are exposed.

No ear defenders

The project has two main components: noise from machines on board and noise from the ship's propeller, which is in direct contact with the water. For most commercial ships, propeller noise is the most significant – and unfortunately also the hardest to limit. "You can't decouple a ship from water or give the animals ear defenders", says Tjakko. "The ship's propeller needs water to generate thrust. There is little you can do about the noise that causes. But you can make modifications in your designs for new ships. So we want to be able to calculate the noise levels during the design process, with the aim of reducing underwater noise as far as possible. It is worth noting that Damen does not design its own ship's propellers. That is done by a propeller supplier, based on our specifications."

Kettle

The propeller noise breaks down into two components: low-frequency and high-frequency noise. Low-frequency noise travels a long way through the ocean, whereas high-frequency noise can only be heard relatively close to the source. Tjakko: "Whales can hear each other's low-frequency sounds even when they are swimming practically on the other side of the ocean. But that means they can also hear the low-frequency noise from ships. On top of that, high-frequency noise can disturb animals close by. For example, when dolphins are using their echolocation to detect a shoal of fish." In a ship's propeller, the low-frequency noise is caused by the rotation of the blades. The high-frequency part comes from cavitation. These are bubbles of water in gas form caused by the action of the propeller. "It's the same process we are familiar with from a kettle. The suction effect of the propeller blades is so great that the water effectively boils without being heated to 100°C."

Alternative measurement

 $\Box Kg$

One element of the research into underwater noise is a measurement campaign specifically into the high-frequency component of propeller noise. It is hard to measure the noise a ship produces underwater. "To do so, you place measurement equipment on the seafloor and sail past it repeatedlyt different speeds and distances. That's very complex and expensive. We are now employing a different measuring technique: reciprocal measurement. That means we measure in the opposite direction, as it were. You could compare it to a route planner: the distance from your home to your work is the same as the distance from your work to your home. The same applies to the noise that arrives at the propeller at a different location."

The Pursuit team establishes a relationship between propeller noise and a point on board the ship. They hit the ship's structure with a hammer above the waterline and measure what is audible to a receiver by the propeller. "We can then work backwards from there. We establish the relationship between the source noise and the ship's structure. By then measuring the response from the ship's structure during operation, we can determine the source level of the propeller, The propeller then becomes the source of the noise and we can calculate what happens underwater by deducting that from the first measurement. We are halfway through the fourth measurement and we hope to measure another six ships after that."

Predicting

Another important element in the research into underwater noise is the mathematical track. "We are quite well advanced with that. For example, we recently made a mathematical model to calculate the low-frequency noise made by a propeller based on the quantity of water that can flow to the propeller as it follows the vessel", says Tjakko. The end date of the project has been set for mid-2022. By that time, there needs to be a validated mathematical model that can be used to predict propeller noise. "Using the model, we will in future be able to evaluate how different ships and propellers perform in terms of underwater noise."

ERIK-JAN BOONEN (R&D) PROVIDES AN UPDATE ON RESEARCH INTO CLEAN FUELS

What will the new diesel be?

Diesel is polluting, hydrogen is still much too expensive and (bio)LNG is not ideal. The fuel of the future looks like it will be methanol, believes Erik-Jan Boonen, Principal Research Engineer (R&D). The energy transition is an ongoing process and Erik-Jan spends almost all his time conducting research into cleaner fuels for Damen's ships. "It is very feasible for shipping to run on methanol in three to five years' time."

In order to obtain answers to questions about sustainability, it is important that we are not comparing apples with pears - or in this case, tourist cruise boats with patrol vessels. Erik-Jan investigated which fuel is most suitable for the ships in Damen's portfolio, dividing them into four clusters. Ships that travel slowly over short distances at low power fall into cluster one. "For example, small ferries or passenger vessels on the canals of Amsterdam." Cluster 2 contains ships that travel short distances, but with more power. "For example, our fast ferries or harbour tugs." Cluster 3 comprises ships that sail long distances at high speed and high power, such as patrol vessels, crew suppliers and dredgers. Vessels that travel long distances at low power make up cluster 4. "The latter include combi freighters that transport cargo and service offshore vessels."

Electrification

For the first cluster, the solution is easiest: electricity. "We build battery packs into all vessels of this kind", says Erik-Jan. "The problem is that the batteries are insufficient for longer distances or higher speeds. In the future, the quality of batteries will improve. The current expectation is that capacity may double, but that will be about it. That's still not practicable for other ships."

Clean, but challenging

Hydrogen does appear to be a serious candidate for ships in the other clusters, but it will probably not be commercially viable for another ten years or so. "In terms of climate,



hydrogen is lovely and clean, but if you are travelling long distances, storage soon becomes large and heavy. As a result, its applicability within the Damen portfolio appears limited to cluster 2. The technology is also very pricey, it makes ships significantly more expensive", says Erik-Jan. Damen is conducting research with European universities and companies into converting hydrogen in fuel cells and regulations for safe storage.

The winner

Which leaves methanol as the provisional winner, or current best bet. Methanol can be produced in a green way. "From wood or waste flows, for example, but also from CO2 and green hydrogen gas via a chemical process - although the latter is not yet common. What's more, methanol is not so far removed from existing technology. You can use it in a combustion engine, albeit a modified one. Unfortunately, such engines are currently only available to a very limited degree. We are talking to our suppliers about that." In addition, methanol can easily be carried on board ships. It remains liquid under normal conditions. You also need relatively little methanol to produce a lot of energy. However, you still need two and half times as much methanol as diesel. "You can solve that by making a ship bigger, so that it can carry more. Or by bunkering more frequently. At the moment, a diesel powered ship can keep going for up to six weeks, whereas with methanol the fuel will be used up within a week or two. In most cases that would seem acceptable, making it suitable for all clusters."

We're ready

Methanol is currently being rolled out further as an alternative fuel. Our internal development is running in parallel with an industry initiative: Green Maritime Methanol. "In this initiative, we are working with Dutch companies and research institutes such as TNO and TU Delft. We don't have control over all the factors that are required. Our ships need to be deployable worldwide and be compatible with all kinds of regulations and ways in which ports are organised. But from a shipbuilding point of view, we're ready. It is feasible to build methanol powered ships in three to five years' time."

Why are we looking for a replacement for diesel?

We all know the doomsday scenario for climate change: sea ice and permafrost melt, sea levels rise, all of which results in more flooding, drinking water shortages and reduced biodiversity. This is why many countries committed themselves to reducing their CO2 emissions in the Paris Climate Accord. Damen is an active player in making shipping more sustainable. For example, we are working hard on low energy ship designs, wind-assisted propulsion and optimum operating speeds. "In addition, fuel remains necessary", says Erik-Jan. "We are looking for a non-fossil fuel. Because that means it will be CO2-neutral." For example, batteries, hydrogen, bio and synthetic fuels, methanol and fuel cells.

DAMEN **E-DRIVE** SYSTEM

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R&D ADVISES: NOT EVERY BATTERY IS SUITABLE FOR EVERY SHIP Big differences between batteries

The energy transition is well underway and at Damen, too, there is a strong focus on alternative forms of propulsion and fuels. Batteries are the most eye-catching, but not every battery is suitable for every ship. So do contact R&D for advice in order to make the right choice, says Sybrand ten Cate Hoedemaker (Research Engineer Batteries). He answers a number of frequently asked questions about batteries.

What is the role of batteries in the energy transition?

"The entire maritime sector is working on alternative drives and fuels, such as batteries, hydrogen, bio and synthetic fuels, methanol and fuel cells. All these forms still have their limitations. That includes batteries - they are not the ideal solution for all ships, or to put it differently, they are not suitable as the only solution for every ship. Batteries have a very wide range of application and fully electric operation is only a small part of that. Batteries can store and release energy very guickly. That makes them very well suited to all kinds of different applications. As well as for propelling ships, for example, they can also be used to even out the differences in load on the ship or as backup power if a generator fails, or if silent and emission-free operation are required. We therefore expect the main application of batteries to be in hybrid systems: batteries combined with another form of propulsion or energy generation."

Are there big differences between batteries?

"Very big differences, especially in price, energy density and life cycle. Just looking at price, the most expensive battery we use may be three times the price of the cheapest. In terms of energy density, batteries can vary by a factor of five, and in terms of life cycle, the number of times you can discharge and charge a battery, they can even vary by a factor of ten. Price, energy density and life cycle are very important when choosing the right battery for a ship. Choosing a battery is much more than thinking "I need this amount of energy, I'll just slot this one in". On most vessels, space is at a premium and weight is also important for a ship - we typically try to keep it down. And you don't want to have to replace all the batteries every four years. Batteries that last longer are generally more expensive. Batteries with a high energy density often don't last as long, which makes them cheaper. On the other hand, you have to

replace them more often. So over the entire life cycle of the

vessel, you'll probably save money with a more expensive battery. But it varies from ship to ship, which means you have to think carefully on every project before making your choice." So there is no single ideal battery that is always the best choice? "No, unfortunately that isn't the case now and I don't expect it to be any time soon. Every existing battery system is good at something specific: some are extremely lightweight, others can handle really high power levels. Simply in view of the electrochemical properties of a battery cell, a combination of all those factors that yields a battery that is best at everything would appear to be impossible."

To what extent is the shore infrastructure important when choosing an on-board battery system?

"Batteries are getting better all the time, they can handle higher power levels and bigger and bigger batteries are being installed on board ships. You can keep on increasing their size but of course the charge they store needs to come from somewhere. The higher the power you want to charge at, the bigger the investment required for the charging installation on the shore. Apart from placing a really high load on the local network, they are simply big installations. And there isn't yet much choice available in the market. Right now there are around fifteen suppliers of maritime approved batteries, but when it comes to the charging systems there are only a couple. There is still some catching up to be done there."

What is the current situation regarding the development of batteries?

"Particularly in the automotive industry, great strides are being made. We are learning from the developments there and looking into whether we can use their technologies on board our ships. In principle, a battery for an electric car is not very well suited to a ship. We need more robust batteries on board that will last longer and cope with tougher conditions. We also have more stringent requirements in terms of safety. Developments in shipping are also moving fast. In 2013, Damen Hardinxveld built our first ship with batteries, the Waterspreeuw, a hybrid patrol vessel. Since then, the price of batteries has fallen to approximately a third of what it was, in less than ten years. But the improvement in batteries is not a linear process. In reality, it is a series of little steps that keeps making batteries a little bit better. Taking a real leap forwards will require a different kind of technology and material. It's still difficult to predict how that will pan out."

We associate batteries above all with ferries and water buses. Are they also suitable as forms of propulsion for other Damen ships?

"Ferries are ideal because they always travel from A to B, so you know where they will be for charging. Their energy requirements are very predictable. We are also working on the



electric tug RSD-E. Tugs have a less predictable operational profile than ferries, but you do know they will always be near a harbour where they can recharge. There is a strong demand for batteries in yachts, too, primarily for reasons of comfort: they are quiet and they do not emit exhaust gases. We also believe fishing vessels could be an interesting market – particularly fishing vessels that operate near the coast, where a lot of new rules are on the way to limit the amount of permitted emissions. These vessels will be able to carry sufficient energy in a battery to be able to return to shore. There are also ships which are not suitable for battery propulsion. On the other hand, in the offshore and oil and gas industry, batteries are widely used. Particularly as backup for generators: instead of an extra generator, you have a battery on standby. That gives you extra safety, because you always have energy and capacity in reserve. Batteries are definitely also suitable for that."

How can R&D help Damen colleagues when choosing the right battery for a ship?

"Colleagues can always contact us for advice. The right choice of battery can have a big influence on the success of a project, and that's something we at R&D can really help people with. We are currently working on a procedure to guide you in making good choices in your system design, not just for batteries but also for the rest of the electrical system. I recently delivered a training course on batteries to my colleagues in the R&D department. The idea is to offer these courses to different divisions so that we can increase knowledge about batteries throughout Damen. Batteries on ships are here to stay; the goal is to make their use just as normal as the use of diesel engines is now. That's why spreading that know-how is so important for us, we want to share it with everyone."

Batteries SharePoint

R&D has made a Batteries SharePoint site that is accessible to everyone within Damen. All the information about batteries is available there, such as construction numbers, suppliers of batteries and recordings of presentations on batteries by Sybrand. Sharepoint Batteries

SEABAT: hybrid battery system

January this year saw the launch of SEABAT (Solutions for largE bAtteries for waterBorne trAnsporT), a European project that will last four years. R&D is involved in the project on behalf of Damen. Its goal is to develop a hybrid battery system.

Sybrand ten Cate Hoedemaker

"A ship can require different types of batteries. The same vessel may have two different operational profiles, for example a ferry that travels up and down on the same route several times per day but then has to sail a certain distance back to a charging point at the end of the day, which is a longer route. You really need a different battery for the two operations.

The current practice is often to choose a particular battery and then make it much bigger than necessary so that it can handle both operations. In the SEABAT project, we are developing a hybrid battery system that contains two different batteries: one that can handle frequent operation as the ship travels up and down along its route and another that holds a large amount of energy for a single use per day. "

Electrifying the world with offshore solar

Demand for sustainable sources of energy continues to rise, as the world seeks solutions to the defining challenge of our era: climate change. SolarDuck's first offshore floating solar pilot "King Eider" has been developed to support the global ambition to achieve net zero and address the lack of space to install solar panels.

Don Hoogendoorn, CTO of SolarDuck: "This challenge is particular pressing for densely populated areas such as megacities and islands in the Mediterranean, the Caribbean, and South-East Asia, which lack sustained wind. Due to the high solar irradiance, these areas would be ideal for application of utility scale onshore solar. However, they lack the required space to do so. Luckily for them, they are situated next to the Ocean. Which offers ample space".

Dutch start-up SolarDuck has therefore developed an innovative and cost-effective utility scale offshore floating solar solution. The floating structure is designed to withstand significant wave heights of more than 7 meters and hurricaneforce winds up to 65 m/s. This covers almost all relevant sites around the equator, but even includes the fierce North Sea environment.

Don Hoogendoorn: "To demonstrate the concept, SolarDuck

has launched our first pilot "King Eider" in April 2021. It consists of four triangular-shaped platforms placed on floating pillars which are flexibly connected with each other. In total, 156 solar panels with a combined electrical power output of 64kWp are connected to the grid. The structure, which is made of aluminium, holds the solar panels more than three meters above water level".

The elevated triangular solution is designed to smoothly follow the waves resulting in the lowest motions and loads on the structure and mooring. The elevated triangles result in optimal power output per square meter due to the low motions. The elevation of the panels also avoids algae and salt deposition on the solar panels and mitigates electrical short-circuits. While the size and shape of the platform allow for safe and costeffective maintenance. This effort is recognized by certification group Bureau Veritas who delivered the world's first Approval in Principle for an offshore floating solar solution to SolarDuck, marking the beginning of a new era for this form of renewable energy.

Arnout Damen, CEO of Damen Shipyards Group, comments: "As Damen we support innovative entrepreneurs who align with our ambition of a sustainable world. Especially SolarDuck, which is an innovative spin off from the Damen R&DI department developing an innovation solution for a adjacent market. Therefore, Damen supports SolarDuck from investment perspective, but also our yard in Hardinxveld contributed to the construction of "King Eider" underlining this ambition".

"Coming from the R&DI department of Damen Shipyards helped SolarDuck a lot in making the optimal design choices from the start" said Don Hoogendoorn. "Combined with the experience and direct lines with the Hardinxveld crew this resulted also in a very short assembly time of the demonstrator".

Since "King Eider" has been installed in IJzendoorn it produced already more then 15 MWh, which has been delivered to the grid. Based on the lessons learned from the demonstrator and further research and development SolarDuck is currently



updating the design. Verification tank test will be performed early 2022 in Cork, Ireland. Based on these tests, our offshore pilot design will be finalized and launched before December 2022. This offshore pilot will validate our technology in the North Sea environment and make, with a full class approval, the technology bankable.

This opens up the route for installing commercial projects medio 2023. Pondera a large project developer in Indonesia recognised SolarDuck's fast progress and market potential and has recently signed with SolarDuck a Memorandum of understanding for the development of more than 500 MWp in South East Asia. Showing the potential of this rapidly developing market and a sunny future for SolarDuck. "King Eider" installed in IJzendoorn, NL. Hydrodynamic simulations of large scale solution in extreme North Sea storm conditions The bond between SolarDuck and Damen is important for both companies. Damen, which focusses on developing fullyelectric Tugs and Ferries and SolarDuck providing cost effective electricity and storage both provide an important link towards decarbonizing the world. Electric ships powered by energy generated from the sun will provide the potential of the maritime industry to achieve zero emissions. A path that both companies set to achieve.

Responsible Business Conduct

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Corporate Governance

Generally speaking, corporate governance is about ensuring the sound management of a company, including the supervision of the management team and how the execution of the strategy is reported to all the company's stakeholders. These stakeholders include employees, clients and society in general. Factors that play a role in corporate governance include formulating the strategy, monitoring the achievement of the company's business objectives, overseeing its corporate culture and ensuring that it meets its reporting and transparency obligations.

By the beginning of 2020, with the start of the new CEO, Damen had already decided on a new divisional structure that would enable more control and governance over how business was conducted. The previous system had not worked as well as had been hoped. The new structure delivered eight divisions, each with its own business plan and profit and loss account, all closely monitored via quarterly meetings. A two-tier board was introduced with clear segregation of governance and transparency regarding who was responsible for each function.

This represented a clarification for the company regarding accountability and responsibility and delivered a well-defined structure that forms the basis for future success. The Executive Board overseas the divisions and consists of four members and a company secretary, each with individual responsibilities and tasks. Each member oversees a different organisational segment to ensure it conforms with the Damen strategy. The Executive Board reports to the Supervisory Board. Each division has its value propositions and focuses on specific product and market combinations. They have clear and transparent accountability for their profit and loss areas within their markets while implementing the Damen strategy via their business plans and achieving set targets.

The organisation

With new leadership in place a strategic reorientation was initiated that led to a rigorous restructuring along division lines, a new governance structure with new people and a renewed strategy based on sustainability, digitalisation and operational excellence. These core values were strengthened by introducing higher standards of transparency and integrity, which have led to better reporting.

The Damen Leadership Team meets regularly, either in its entirety with the leadership of the different divisions and global business support present, or with board members only to discuss operations, including strategic themes. Every quarter, an update on the most relevant sustainability KPIs is provided to assess their effectiveness and to ensure that any remedial measures are taken in good time.



Risk management was also strengthened in 2020, with a risk board that evaluates and approves new projects to prevent the unexpected occurrence of situations getting out of control. It also advises the Executive Board on all projects with a value above 15 million euros. An independent chairman coordinates the multi-disciplinary risk board, with representatives from the compliance, legal, project management, engineering and other departments undertaking the peer review process and issuing green, amber and red advisories.

The aim is to get the Board involved earlier in the project timetable than previously, when deciding whether or not to bid. To support this, since 2021, a group risk officer directly placed under the Chief Counsel has started to evaluate and improve risk management. New assessment methods have been implemented, including a critical bid-no bid structure. This has been a significant benefit to the Group's risk assessment process.

Executive Board

Arnout Damen (CEO)

Age 51, male

Has worked 10 years at Damen Shipyards Group as CEO, CCO and COO, before that Managing Director at Navingo BV, started career as Founder and CEO of DBL Investments Real Estate Year of appointment: since 2008 as non-executive board member, 2020 as CEO

Jan-Wim Dekker (CCO)

Age 54, male

Has worked at Damen since 1994, since 2015 in leading position as CPO, followed by COO and since 2020 as CCO. Year of appointment: 2014

Marc van Heyningen (COO)

Age 56, male Employed at Fluor in various (management) positions since 1990; most recently as Vice President of Operations. Since 2020 COO at Damen Shipyards Group. Year of appointment: 2020

Ronald Suhlmann (CFO)

Age 47, male

Started his career at Ballast Nedam in 1999, served the company in several positions and moved to Damen in 2015, where he was Financial Director of both Naval and Yachting divisions. Year of appointment: 2021

Mario Herrebout (Company Secretary & Chief Counsel) Age 53, male Has started at Damen Naval in 2009 as General Counsel. Appointed at the end of 2019 as Company Secretary of the Damen Shipyards Group and since April 2021 the Chief Counsel.

Year of appointment: 2019

Supervisory Board

Kommer Damen (chairman)

Age 77, male Took over Damen Shipyards from father Jan in 1969, since then founder. CEO and chairman of Damen Shipyards Group; visionary. Year of appointment: 1983

Annelies Damen

Age 53, female

After her studies at the University Nijenrode (BBA), started her career in the business world on a high level (sales, marketing and real estate). In 2006 changed direction to fine art photography after graduating from the Academy of Photography in Amsterdam. Year of appointment: 2020

Jurgen van Breukelen

Age 52, male

Background info: worked at KPMG Netherlands between 1994 and 2015, the last 15 years as a partner, since 2007 a member of the Board of Directors and later as CEO. Today he is, among other roles, Chairman of the Board of Directors of The Altice Group. In the past he was Chairman of the Supervisory Board of Van Gansewinkel Groep and Chairman of the Board of Bosal. Year of appointment: 2020. Ancillary positions: He fulfills a number of advisory and supervisory functions.

Remuneration Policy

Members of the Executive Board have a contract of employment with Damen Shipyards Group, and receive a fixed base salary as well as short term and long term incentives in line with the results of the Damen Group and realised objectives. The remuneration of the members of the supervisory board consists of a fixed annual fee and a fee for each committee meeting that is attended.

Bert Greven

Age 69, male

Background info: started at Rabobank in 1975 and retired from the bank last year. He continues his career as associate partner at Avaxa Debt Advisors.

Year of appointment: 2020. Ancillary positions: he has taken on a number of advisory and supervisory positions, including that of advisor to the board at the shipping company Royal Wagenborg.

Henk Rottinghuis

Age 65, male

Henk was CEO and Chairman of Pon Holdings from 2001 to 2010. He joined Pon in 1993 and became a member of its executive board in 1999. Before that, he held senior management positions at Koninklijke Nedlloyd Group. Since his retirement from Pon, he has held several supervisory board and non-executive director positions, among others at Royal Bank of Scotland, Blokker, DRG, Stork and CRH.

Year of appointment: 2020. Ancillary positions: chair of the supervisory board of Royal BAM and chairman of the supervisory board of Koole Terminals

Stakeholders

Analysis & risk overview

As a connected company in the maritime industry and society, Damen has many stakeholders involved in its business processes and beyond.

To keep a birds-eye view on our stakeholders and as part of our strategic approach to sustainability, we have analyzed the environment in which we operate, including contextual matters relating to political, economic and social/cultural influences, technological developments, environmental issues and legal influences (PESTLE). Multiple stakeholders and interested parties were involved and considered when developing this analysis.

Political

As Damen is a global business, the changing political environment can significantly impact our business. Essentially, Damen must continuously monitor international governmentrelated customers, local manufacturing companies, especially in low labour-cost countries, and factors that may affect our travelling employees.

Economics

Economic factors such as inflation, stock market instability, exchange rates and taxation affect Damen's growth rate, our customers' purchasing power, and revenue. Low revenues can influence perceptions of the company, particularly where potential customers are concerned.

Social

Due to its worldwide operations. Damen has to consider different and varied social attitudes. These differences require the company to adapt its culture accordingly without losing its identity. The need to manage frequent employee travel and the impact we have on local communities and manufacturing remains a great influence on our strategy at all our different sites.

Damen is faced with the challenges presented by everchanging technological innovations. The consideration of consumer technological innovation and product and production process innovation remains a crucial factor in

Damen must adapt to different regulatory landscapes due to its international customer portfolio and local manufacturing facilities. The various types of regulations must be structurally monitored to ensure compliance concerning products, employees and production processes.

Environment

Climate change is becoming a top priority for a significant number of Damen's stakeholders. Environmental factors including weather, climate change, carbon footprint, pollution and raw material consumption are increasingly strictly monitored and regulated, placing high expectations on companies to improve their practices.

Technology

ensuring that Damen stays an attractive employer and supplier.

Legal

Political

R – Changing Rules

& Regulations

R - Differences of

between the





O – Different

cultures influencing

Damen due to

international

operations

R – Income

distribution

between and within

Damen companies

R – Local sick

leave and incident

regulations

O – Attitude toward

sustainability

Economical

R – Slow growth due to energy transition strategic choices

countries evolve

O - Sustainable

focus in tendering

opening new

possibilities

Rules & Regulations O – Customer different markets Finance & Ship as a service

O – Subsidies and Grants due R – higher labour to country / costs as low-wages area adoption of sustainable policies

R - Governmental crisis influencing order intake

R – Nonendorsement of human right / ILO in operating countries

O - Sustainable compliance opening financing opportunities

R - Human rights violation in supply chain



Hereunder is a schematic summary of the risks and opportunities identified.



R – Different requirements in different markets

R - Uncertainty in energy transition

> O – New technologies and innovation

O – Automation

O – Green solutions

O - Closer contact with employees and stakeholder (Social media, technological infrastructures)

R – Suppliers need to align their strategy



Legal

R - Different regulatory landscape for product and operations

R – Legislation on new technologies

O – Legislation on carbon emission and pollution

O - Data protection

R - Enforcement of new international new regulations (e.g. ballast water)

R - Cross-border regulations



Environmental

O - Customer/ government expectations

O - Positive impact by control of emissions, natural resources and waste

O - Eco-efficient projects leading to cost savings

O – Development of new technologies

O - Positive image of Damen, green products attract employees and customers

Material topics

Our sustainability strategy has been formed around the material topics that were identified in a materiality analysis. For this report, an online assessment was conducted, inviting over 500 participants, including employees from all levels, customers, suppliers, investors, NGOs and local communities. The topics assessed were selected using the previous materiality matrix, social media analysis and results of the context analysis.

The selected topics were presented to the Executive Board and approved by the CEO before distribution to our stakeholders. In the survey, a complete definition of each topic was provided and the participants asked to give a rating from non to very relevant. As the survey was fully anonymised, all stakeholders had the same weight in the results presented to the Executive Board. The significant materiality topics serve as input to our sustainability strategy, and our approach to those topics is given in this report. The materiality matrix presented hereunder shows the relative importance of each topic. We intend to review this materiality matrix every two years.





Oscar Kortenhorst - Graduate intern sustainability (Gorinchem)

The world is changing around us faster than ever, and it's time for the shipping industry to step up its pace and accelerate. With my fresh and broad outlook on the current world, I am eager to contribute to making the shipping industry greener. With my significant interest in the maritime industry, the sustainable and circular future and my experience on board multiple vessels, I will contribute to the goal of Damen to become the most sustainable shipbuilder. In writing my thesis to complete my studies in Business Administration, I will zoom in on the value of KPI analysis to improve the measurement of Damen's impact on the globe.

Value creation

Strategic principles

One Damen. While Damen is divided into divisions, with over 50 companies spread out over the entire globe, our strength and added value lies precisely in internal cooperation, building one Damen. At Damen we do not work in silos, we learn from each other, inspire each other, help each other to create added value.

Diversification

Diversification is at the heart of Damen, with a multi-cultural team of employees all around the world. We cherish the robust resilience of our diversified company and business model. We focus, worldwide, and in close cooperation with the local communities where we operate, on a variety of maritime activities and niche markets.

Standardisation, modularisation, and series production

Standardisation, modularisation and a series build approach are the Damen way. The Group has successfully lowered production costs, increased quality, and reduced lead times by developing and producing standardised ship types. Modularisation allows vessels and other maritime assets to remain relatively easily adjustable to keep ships fit for the sustainable future.

Stock model and customisation

Our related stock model for applicable markets (mainly workboats and yachting) is a unique selling proposition (USP). Strategic stock remains our answer to an increasing trend towards customers placing orders later and requiring delivery earlier. By focusing on operational excellence and continuous improvement in both ship design and production, the Group can offer standardised vessel types with a certain level of customisation.

Servitisation: evolving from a shipbuilder to a maritime solutions provider

As part of our commitment to a circular economy, we are convinced that customers will gradually shift from ownership of vessels to 'pay per use' as seen in other capital-intensive industries. We see this as servitisation, or ship-as-a-service, which leads to operational leasing, adding new and more, mainly financial, services to our traditional product range. We are more than ready for this switch with an installed base of over 6,500 ships, twelve Service Hubs across all continents, and our division Financial Services up and running. This new division within Damen will also allow us to offer complete solutions to our customers, departing from the standard shipbuilder approach to become a complete maritime solution provider. We achieved significant success in 2021 with this new division and are fully focused on bringing sustainable solutions to the market.

Strategic partnerships in our value chain

Creating strong partnerships is essential to our approach. We are a system integrator par excellence, offering maritime solutions based on our long-lasting relationships combined with innovative investments. Our partners from the supply chain are as crucial as our own people, and we see them as part of the Damen family. We must trust, manage, and cocreate together, to ensure a sustainable business model.

Framework of value

Our operational excellence business model, based on continuous improvement and learning, is the foundation of our way of working. Certifying this management system against ISO standards (ISO 9001, 45001 and 14001) ensures that regular external assessments keep us sharp and stimulates continuous improvement. It also helps ensure that we work to prevent negative impacts while ensuring that we leave a positive imprint on the world around us.



Framework for sustainability

Compliance

How is Damen ensuring compliance with international regulations

Legal

The world is becoming more and more complex, and we need to keep pace with the challenges facing our company. In 2021 we completed the legal pillarization of the Damen Shipyards Group. Damen is now less exposed to risks and more futureproof with a clear divisional structure. In 2022 we will continue to strengthen the divisions' governance structure.

The international legal team has grown significantly in the past two years in both numbers and quality. In line with the new structure, we have allocated dedicated legal support to each division for business and operations while, at the same time, we have created a centralized team for Group-level compliance matters and appointed a compliance contact person in each division.

Cooperation with contract management in the divisions has been intensified. We invest in training, tools and knowledge for contract managers and offer daily support. In the coming year, we will prioritise the further alignment of legal, risk, insurance, compliance, and contract management functions, both at the Group and divisional level, to create an integrated approach to corporate and business risk management.

Compliance 2.0 Program

The Compliance department started the implementation of an improvement program in 2021, called the "Compliance 2.0. program". This resulted from an intensive audit where all possible improvements were identified and presented to the executive board. The Compliance 2.0 program will ensure that Damen is able to reach its ambitious business goals while staying fully aligned with laws and regulations.

The audit program has detected more than 40 improvement

actions of different scopes within the Group; these improvements involve risk assessment, human rights, diversity and sustainability.

With these improvements, the pre-screening of tenders is also being carried out better and the risk level in Group-wide matters has been greatly reduced.

In 2021 we also established a new code of conduct based on the core values of Damen. This code was made in collaboration with the different sales area managers and divisions within the Damen group.

The code of conduct details Damen's strict internal regulations regarding all aspects of the company, from safe working conditions to the avoidance of compulsory labour and contains a whistle-blower policy.

Sustainability

As the legal & compliance department, we support the company's objectives, we follow the board's strategy and we keep a close eye on developing sustainable legislation. Since the strategy of Damen is to become the most sustainable shipbuilder in the world, we are here to support and advance that objective.

Over the course of 2021 we observed the increased demand for sustainable aspects in tenders, especially related to human rights. As a legal & compliance department, we take these sustainable demands very seriously and are closely involved in these tenders due to the relatively high risks involved. We make sure that the assessments produce objective and positive outcomes.

Future developments

Due to the rapidly growing demand for sustainability matters,

both internally and outside Damen, our department needs to monitor upcoming regulation and prepare accordingly. The upcoming CSR regulation from the Dutch government is very high on the agenda. We expect that new reporting laws will be announced soon, aligned with the OECD and human rights guiding principle.

Damen is already ahead of the upcoming regulations and, as a legal & compliance department, we take responsibility for ensuring that we stay ahead.

Integrity

The legal & compliance department is, along with the entire company, responsible for its integrity and reputation.

One of the biggest threats to Damen regarding integrity is corruption within its stakeholders.

To prevent any form of corruption within our stakeholders, our department uses a two-stage prevention tool along with due diligence procedures, a database of high-risk countries, and internal and external auditing when needed. In addition, the Compliance department conducts regular campaigns to raise awareness of integrity matters within its organization. These include a "Week of Compliance" and a "Week of Integrity". On top of that, with the launch of anew code of conduct in 2021, Compliance has started a "Value in action" campaign within the group.

The legal & compliance department is dedicated to keeping Damen ahead of the developing regulations and to supporting the entire company in its goal to become the most sustainable maritime solution provider.



Risk management

Without risk, there is no reward. Every Damen company exists to provide value for its stakeholders and to create value, we have to do business. In doing business we face uncertainty, which may lead to risks, and risk management enables us to deal effectively with those risks.

For a company with highly technical and complex products, in a world that is changing faster than ever, risk management is of the utmost importance. With our intention to become the most sustainable shipbuilder in the world, it is crucial that we protect our reputation, our employees, our clients and our business partners by managing multiple risk factors in the process of designing, building and selling Damen products.

In April 2021, the risk management function within the Executive Board was strengthened by the appointment of a Chief Counsel. In addition to Risk Management, the Chief Counsel is responsible for Compliance, Legal, Contract Management and Insurance. Due to the increasing importance of risk management, Damen has a Risk Manager who reports to the Chief Counsel and works on, among other things, further developing the Group's risk management framework. The responsibility for implementing the risk management framework relating to proposals and projects remains with Sales and the Divisions but is supported by the Risk Manager where necessary. Damen's general risk management process consists of continuously identifying, assessing and mitigating risks.

Risk identification is about identifying uncertain events or conditions that, if they occur, may have a negative impact on the achievement of a project's objectives. We identify risks by organising meetings with the involvement of multiple disciplines and all other experts and partners from whom we require input. After we have identified the risks associated with a project, we assess those risks by estimating the probability of them occurring and the possible financial impact. Based on this quantitative analysis, we determine how much risk provision we should set aside to manage risks and to protect the project from any financial setbacks due to problems arising during project execution. The assessment of risks also provides us with information on which risks require the most attention. For those risks we identify, we implement mitigation actions and we monitor and report on progress made.

Furthermore, the sustainable economy in the future is already requiring an even stricter assessment of risks. This new way of thinking will mean that every project must be assessed to establish whether or not it will contribute to the strategic objective of Damen to become the world's most sustainable shipyard group.

Especially sustainable projects will require extra time for this process. These projects are important to Damen despite the additional effort that they require.

In 2021, we developed a bid/no bid document and process together with an associated approval matrix and implemented this within Damen Shipyards Gorinchem. This is for all proposals for engineering-to-order projects for which the budget request (covering all proposal costs up to the submission of an offer) is more than 10k euros.

Preparing the bid/no bid document and having a bid/no bid meeting are critical business operations steps to: Review if the project is the right strategic business opportunity for Damen.

- Determine if Damen has a realistic chance of winning. How can we maximise the chance of winning?
- Determine if the project contains potential "deal breakers" be they technical, legal, commercial etc. Discuss strategies to minimise such risks.
- Discuss which experts and partners are required to execute the project.
- · Determine how we can maximise the profitability of the project.
- Obtain organisational and management support for the proposal and assign the proposal team.
- Approve the proposal budget.

Risk Board

Projects with a minimum threshold have to be submitted to the Risk Board. This board is an independent body representing different disciplines to assess the risks associated with a project. The Risk Board advises the Executive Board on approval for the requested mandate, which is generally a request for an order to submit a firm offer or to sign a contract including, if relevant, on additional risk-mitigating measures to be taken. Risk Board projects are reported on to the Audit & Risk Committee of the Supervisory Board quarterly.

The advice of the Risk Board is based on the guidance of its members (each member representing a different discipline such as finance, legal, engineering, compliance etc.). The Risk Board is widely recognised as a valuable addition to the prioritised strategy of the Executive Board of de-risking the company. The Risk Board projects and processes are currently being audited. Based on the outcome of this audit, the Risk Board process will be further improved in 2022, including strengthening the risk management process pre and post-Risk Board. The way forward

We have started a journey and made tremendous progress, but we still need to continue working towards the future. Risk management will become a vital part of our company DNA.





MESSAGE FROM THE BOARD

Even closer to our customers

"We really have worked hard on the organisation and we haven't shied away from tough decisions. That's not enjoyable but it does look as though we've been successful." MARIO HERREBOUT The two men have been with Damen Shipyards Group for some time and both have a background in the Zeeland side of the business. Suhlmann started at Damen in Vlissingen in 2015. Before joining the Executive Board, he was the Financial Director of both the Naval and Yachting divisions, which are both based in Vlissingen. Herrebout also took the first steps in his Damen career at Damen Naval, in his case in 2009. Ten years later, he was appointed the Group's Company Secretary before taking on the role of Chief Counsel last year.

Risk management and corporate identity

So they know how things work and they have already been involved with numerous internal process optimisation projects in their present and previous positions. "Particularly in the second half of 2019 and in 2020, it was all hands on deck," Herrebout recalls. "We had to tighten our belts throughout the company. From cutbacks and reorganisations to changes in the management of some of our companies. But an enormous amount of work has also been done in the areas of administrative processes, risk management, the ICT infrastructure, project management and our corporate identity. We really have worked hard on the organisation and we haven't shied away from tough decisions. That's not enjoyable but it does look as though we've been successful."

"The balance sheet has been cleaned up," Suhlmann adds. "We got back into the black in 2021. Only to a modest extent for now but, with the course we have set, you can see things improving month by month and we are back on track to profitability at a healthy level in 2022." To achieve this, the focus in 2021 returned to the 'good old' focus on clients and new developments in the market. Suhlmann: "Obviously, we were still open for business during the overhaul but we still had to put a lot of energy into getting our own house in order. Last year, we made a conscious decision to switch back to making our clients our top priority."

Catalyst

"Remarkably enough, COVID acted as a catalyst in that respect," says Herrebout. "The measures in the various countries forced us to come up with creative solutions to keep in touch with our customers and to continue delivering ships in accordance with our contracts. After all, a promise is a promise. For example, not only has Triton, our connected vessel platform, proven its added value by making the largely remote commissioning of vessels possible, we are also using applications with Smart Glasses." Suhlmann: "We want to be much closer to our customers in the future, both digitally and physically. We have invested heavily in this area in recent months. Our activities in the area of digitisation have been upscaled drastically and, to further emphasise the importance of our efforts in that respect, we have appointed a Chief Digital Officer at the Group with effect from 1 January 2022 to provide the Executive Board with the support needed to execute our ambitious strategy in this area. But we have also opened four new Damen Service Hubs, for example: in Hamburg, Southampton, Panama City and Dhaka in Bangladesh."

New business models

Another development that fits in with this 'closer to the customer' approach was the launch of the Financial Services division in 2021. Using both operational and financial lease constructions, it offers customers financing for new vessels and other maritime assets. This is an approach that will open the way to new business models. "In the past, we would first sell a vessel and then provide our client with support for the financing structure," Suhlmann explains. "In the new set-up, we can lay down the operational structure and financial framework first and then talk to clients about buying vessels. Generally, this involves a low risk combined with a longer-term arrangement through a concession or charter contract."

Herrebout believes that all these changes fit in with the longstanding strategy of the development from a shipbuilder to a maritime solutions provider. "Some clients want a vessel. There's nothing wrong with that at all. On the contrary. But increasingly, the vessel is part of a total solution that involves numerous factors which need to be considered and arranged in advance. Particularly where sustainable shipping is concerned: that also involves the distribution of electricity or alternative fuels, and a whole complex of logistics, regulations and certification. Take the fully electric ferries we delivered to Copenhagen, for which we received the KNVTS Ship of the Year award in late 2021. That order wasn't just for the vessels but also the innovative berthing system, which connects the charging system fully automatically to the shore supply during the berthing process. That makes the charging time for the batteries as long as possible. So it's about more than just delivering a vessel. We take things over from our clients and help them with the complete operation, both on paper and in practice."

Customer First 2.0

"Finally, of course, an indispensable component of our customer intimacy approach is Damen Technical Cooperation," explains Suhlmann. "This is our concept of building Damen vessels, anywhere in the world, at non-Damen yards. The first DTC project took place in 1977 in Egypt. Since then, we have successfully supplied a broad scope of services in more than 1,000 projects in over 60 countries on every continent. That also shows how we think and act in tandem with our clients. It may sound old-school but that doesn't make it any less true: at Damen, we have a customer-first philosophy... Customer First 2.0."

"We want to be much closer to our customers in the future, both digitally and physically"



Values

As a worldwide company, Damen is active in many foreign jurisdictions, each with its own tax laws and policies. The tax function of Damen is accountable for all tax matters pertaining to all Damen constituent entities globally. As such, the tax function is mandated to organize and handle these tax matters. The

Damen tax department is part of the bigger tax function. The tax behaviour of the group is fundamental for external appearances and plays an important role in reinforcing its integrity and reputation over time.

Like the entire Damen Group, the Damen tax function adheres to the company's core values of Fellowship, Craftmanship, Stewardship and Entrepreneurship on which the tax policy is based.

In keeping with its corporate social responsibilities and core values, Damen's policy is that the tax follows the business. Damen does not make use of tax havens and refrains from aggressive tax planning.

Policy

Tax compliance

Damen Shipyards Group has operations worldwide and is aware of its responsibilities and the importance of making economic contributions in the countries where its activities are taking place. As such, Damen gives high priority to its duty to pay the required taxes in the countries where it operates, following its guiding principles:

- Tax follows business. Tax positions are adopted on economic and business principles. We refrain from aggressive tax planning and avoidance.
- · We commit to both the letter and spirit of the law.
- We adhere to the "arm's length principles" (OECD) in intragroup transparency.
- We disclose complete and accurate information about our activities and refrain from structures that conceal or reduce transparency.

Tax efficiency

Damen must pay taxes, but no law says we have to leave a tip. In other words, within the boundaries of the first commitment, Damen seeks for bottom-line value creation through the efficient management of tax costs and legitimate responses to tax incentives and tax exemptions.

Damen is committed to not having a presence in tax havens unless this is required for business reasons. In the event of a presence in a tax haven, we guarantee strict conformity with Damen's compliance procedures and criteria with full transparency and information sharing to the relevant tax authorities.

Tax certainty & comfort

Damen seeks to develop strong, mutually respectful relationships with local tax authorities based on transparency and trust, to ensure the correct implementation of the local tax laws, increased legal security and reduce litigation. This is supported by the following principles:

- Written advice or confirmation will be sought in the event of tax laws that are unclear or subject to interpretation.
- We provide local tax authorities with information and required documentation with tax relevance as soon as possible and within the scope due.
- We prioritise non-litigious means for resolving disputes where possible. We engage in constructive dialogues and seek to maintain sustainable relationships with relevant tax authorities and other relevant stakeholders.
- We will build a sound defence in the event of disputes and conflicts with local tax authorities with regard to the interpretation and application of the tax regulations using all available resources.

Tax risk management

In the current global economic environment, identifying and managing risks across our organisation has become increasingly crucial to the success and sustainability of Damen. Being exposed to tax risks is part of doing business. The key is not to take on the risks that may present severe threats to the strategic goals of the Group's business.

The following principles execute this:

- Tax risk management is an integral part of Damen's risk management policy.
- We manage tax matters using a practical tax control framework with efficient controls.
- We maintain a suitable organisation safeguard implementation of our tax policies for the tax function to be carried out professionally and globally.
- We avoid surprises by maintaining a tax risk management register.
- The supervisory board is informed on the execution of its policies and tax "hot topics" at least once a year.

Tax governance

Damen's Board of Directors is accountable for the tax policy and strategy. The management teams of the divisions are responsible for the proper implementation and execution of the tax policy. Damen Tax is the focal point on all tax-related matters. Damen's tax department consists of highly trained tax experts who continuously interact with all relevant internal stakeholders to create tax awareness among senior management. Damen Tax reports regularly to the CFO.

Keeping up the good work.

The tax function of Damen will keep on improving itself and the Damen Group along the way. It will strive to combine and implement the CSR strategy in the Tax function of Damen. In this way, we will ensure that Damen will not be earning unfair profits at the expense of the societies in which it operates.



Responsible sourcing

Procurement

The long-term objective for Supply Chain and Procurement is to build and maintain a supplier network that will help us to remain competitive. This includes ensuring the secure availability of supply on time and at the right quality level, and one that supports our long-term vision on sustainability, digitisation and operational excellence. Every division in Damen is responsible for its own procurement decisions. However, the divisions use the same supply base for a large part of the spend. This is why we coordinate and align our activities as much as possible because we believe this brings value to the business.

We all work with the same set of terms & conditions and the code of conduct through which we ensure that our suppliers work safely and in line with local labour laws and other regulations.

We also include sustainability in our supplier performance management system in Gorinchem and are looking to implement this as a standard across Damen.

Buying locally

As a family-owned Dutch company, we always strive to support local communities not only via charitable initiatives, but also by sourcing locally whenever we can. Products that we typically source close to the yard are steel, consumables and all services needed to run our operations.

In the diagram at the right side of the text (figure 1) it can be seen that Damen Gorinchem accounts for the largest share of the total Group spend with 42%, mainly because of the many transactions executed for other Damen yards via the head office. In Figures 2 and 3, the geographical spend is shown for Damen Gorinchem. 85% of the total spend is within the EU, of which 78% is delivered from the Netherlands. These are numbers to be proud of.

Working together

In a supplier landscape where many suppliers are being used by multiple divisions, we strive to cooperate and act as one Damen showing one face to the supply base.

The supply world is dramatically changing at the moment, driven by global scarcity of raw materials leading to limited availability of products and higher prices. This is forcing our divisions to cooperate more closely to make better use of our combined buying power in the marketplace. This is encouraging us to also cooperate more closely in other areas.

Compliance with international trade restrictions is also requiring improved data quality for which we are currently driving actions at a corporate level. We are also striving to increase the transparency and traceability of our shipments together with our forwarders.

Another initiative at the group level is to include sustainability more explicitly in our supplier selection and a performance evaluation process for our top suppliers. We have included sustainability in our supplier performance management system in Gorinchem and are looking to implement this as standard across Damen.

We will continue to drive category strategy development in multifunctional teams. We are focusing on propulsion and electrical & automation to ensure that we have a supply base set up to help us achieve our strategic objectives concerning sustainability and digitisation to serve all our divisions. Under future technology developments, greenification of the products that we buy and our suppliers performance on the global development goals will step by step play a more prominent role.

We expect this to lead to changes in our supplier portfolio with new partnerships allowing us to access new technologies. To have early access to those technologies, it is our challenge to be seen as a partner of choice to cooperate with and to work alongside in driving their adoption. Where possible, we will enhance our efficiency by introducing IT-based solutions to support our processes.

In addition to the further roll-out of SAP, we will also focus on introducing tools that will help us get an insight into the status of the supply chain concerning sustainability and the carbon footprint group-wide. The intention is to have a platform solution implemented with the top 50 of our suppliers before 2023.

We will extend our CO2 footprint measurement to include our supply chain. We will use this year to define and develop an easy-to-use methodology that we can implement in 2023. Finally, transparency regarding our sustainable development goals and the sustainable selection process will be further improved. Group spent per yard



Spent Gorinchem globally



Spent Gorinchem in Europe



Princhem 42%Damen Shiprepair Harbour & Voyage B.V. 1%al Shipbuilding 20%Damen Shiprepair & Conversion
Holding B.V. 1%rdinxveld 3%Damen Shiprepair & Conversion
Holding B.V. 1%rdinxveld 3%Damen Shiprepair Harlingen B.V. 1%rdinxveld 3%Niron Staal Amsterdam B.V. 1%ungalia 2%Other 0%nsterdam B.V. 2%Damen Song Cam Shipyarderdam B.V. 2%Damen Shiprepair Singaporeuraçao B.V. 2%Shipdock Holding B.V.issingen B.V. 2%Damen Vastgoed Schiedam B.V.lati 1%Damen Dock Curaçao B.V.est SAS 1%Societe Civile Immobiliere des Docksn Helder B.V. 1%Sogim (Société de Gestion Industrielle et
Maritime) SAS

U 1%	AT 0%	HR 0%
H 1%	Other	EE 0%
E 1%	PL 0%	UA 0%
T 0%	IT 0%	GR 0%
R 0%	LT 0%	CZ 0%
S 0%	BG 0%	LV 0%
K 0%	MC 0%	MT 0%



Jacob Biemond - Group director procurement

As an individual, I try to live as "sustainably" as possible; I take the bike whenever I can, privately I hardly ever fly, and already since 2000, the sun has been taking care of my hot water. In 2006 I had my roof covered with solar panels. Moreover, I have a big interest in the sustainable world and I try to read, listen and keep the dialogue running about all the significant innovations around us. In my role as a procurement director at DAMEN, it is my challenge to successfully drive sustainability and circularity in the supply chain to make a real impact. In this way, I create value for the company to become the most sustainable shipbuilder.



Abbreviations

APC	Africa Projects Consultants	DSAn	Damen Shipyards Antalya	IGF	International Code of Safety for Ships using Gases
AR	Augmented Reality	DSGa	Damen Shipyards Galati		or other Low-flashpoint Fuels
ARM	ARM Juarez, a Mexican version of the Damen	DSC	Damen Shiprepair & Conversion	ILO	International Labour Organisation
	SIGMA 10514 frigate	DSCS	Damen Song Cam Shipyard	ILS	Integrated Logistics Support
ASD	Azimuth Stern Drive	DSCT	Damen Shipyards Cape Town	IPMA	International Project Management Association
ASRV	Antarctic Supply Research Vessel	DSG	Damen Shipyards Group	ISO	International Organization for Standardization
ASWF	Anti-Submarine Warfare Frigate	DSMa	Damen Shipyards Mangalia	IT	Information Technology
BAM N.V.		DSMa	Damen Schelde Marine Services	JINC	Jongeren INCorporated - Association for children
DAIVI N.V.	Betonwerken - Batavian Construction Company for	DSNS	Damen Schelde Naval Shipbuilding	01110	development
	Construction and Concrete Projects plc;	DTA	Double Tax Agreement	JIP	Joint Industry Projects
BBA	Bachelor of Business Administration	DTC	Damen Technical Cooperation	KNVTS	Koninklijke Nederlandse Vereniging van Technici op
BBBEE	Broad-Based Black Economic Empowerment	DWI	Damen Workforce International		Scheepvaartgebied
BC	BC Ferries (British Columbia Coast)	DWR	Damen Workforce Regional	KPI	Key Performance Indicators
BV	Besloten vennootschap - private company	DVIN	Damen Ychang Shipyard	KPMG	Kleynveld Peat Marwick Goerdele
C&B	Compensations and Benefits	E3	Environmentally friendly, Efficient in operation,	KSG	Koninklijke Schelde Groep BV
CCO	Chief Commercial Officer	LJ	Economically viable	L&D	Learning and Development
CEC	Capital Equipment Coalition	E&A	Electrical and Automation	LED	Light Emitting Diode
CEO	Chief Executive Officer	ECG	Electrocardiogram	LNG	Liquified Natural Gas
CEO	Chief Financial Officer	ECG	THE ENVIRONMENTAL PROTECTION	LING	Lost Time Injury
		ECO	NOTATIONS FOR VESSELS - ECO notation	LTO	
CIO CO2	Chief Information Officer Carbon dioxide			MBA	License to Operate Master in Business and Administration
CO2			publicly demonstrates commitment to running an	MD	
	Chief Operation Officer	EDD	environmentally sound business	MD	Managing Director
	Coronavirus disease of 2019	ERP	Enterprise resource planning		Marine Design Engineering Mykolayiv
CPO	Chief Product Officer	ERS	Emission Reduction System	WENENS	Methanol as an Energy Step Towards Zero-
CRH	CRH is the leading global diversified building	ESD	Enterprise and Supplier Development	MC	Emission
	materials business in the world, employing 76,600	ESG	Environmental, Social, and Governance	MS	Microsoft
0.00	people at 3,100 locations worldwide	ESUS	Environmental Sutainability	MSV	Mid-Sized Vessels
CRS	Cooperative Research Ships	EU	European Union	MWh	Megawatt-hour
CSR	Corporate Social Responsibility	EUR	Euro	NGO	Non Governmental Organisations
CSRD	Corporate Sustainability Reporting Directive	FMO	Entrepreneurial Development Bank	NL	Netherlands
CTI	Circular transition Indicator	FTI	Forensic Technologies International	NOX	Nitrogen Oxides
CTO	Chief Transition Officer	FUWA	Functiewaardering - Job family system	NWO	Nederlandse Organisatie voor Wetenschappelijk
DACS	Design and Analysis of Communication Systems	GA	General Arangement		Onderzoek - Netherlands Organization for
DBL	Double Bottom Line	(GEDG)	Green Export Development Guarantee	0500	Scientific Research
DCR	Development Co-operation Report	GHG	Greenhouse gases	OECD	Organisation for Economic Co-operation and
DDE	Damen Dredging Equipment	GMM	Green Maritime Methanol	DAOF	Development
DEGd	Damen Engineering Gdansk	GRIP	Governance of Risks and Incidents Prevention	PACE	Platform for Accelerating the Circular Economy
D&I	Diversity and Inclusion	HAY	Job family system	PC	Personal Computer
DMC	Damen Marine Component	HDPE	High Density Poly Ethylene	PESTLE	Political, Economic, Social, Technological, Legal,
DMO	Dutch Material Organisation	HAZID	Hazard Identification	DIM	and Environmental
DMV	Damen Maritime Ventures	HR	Human Resources	PLM	Product lifecycle management
DNA	Deoxyribonucleic acid	HSE	Health Safety and Environment	POW	Personenvervoer over water - Passenger transport
DPV	Damen Patrol Vessel	HSEQ	Health, Safety, Environment and Quality	005	over water
DRG	Detailresult Groep N.V. (DRG) is a Dutch, family-	IBM	International Business Machines Corporation	PPE	Personal Protective Equipment
	owned enterprise that owns and operates leading	ICT	Information communications technology	PROCAL	Propeller analysis tool
	supermarket	IFS	Industrial and Financial Systems	PSV	Platform Supply Vessel

QA	Quality Assurance
QC	Quality Control
R&D	Research and Development
RD&I	Research, Development and Innovation
RAMSSES	Realisation and Demonstration of Advanced
	Material Solutions for Sustainable and
	Efficient Ships
RFQ	Request for Quotation
RNLN	Royal Netherlands Nav
ROI	Return on Investment
RRS	Reutech Radar System
RSD	Reversed Stern Drive Tug
SAP	Systems Applications and Products in Data
	Processin
SDG	Sustainable Development Goals
SEABAT	Solutions for Large Baterries for Waterborne
	Transport
SMART	Specific, Measurable, Achievable, Relevant and
	Time-bound
SMME	Small, Medium and Micro Enterprises
SMURD	Mobile Emergency Service for Resuscitation and
	Extrication
SOV	Service Operation Vessel
SOX	Sulphur Oxides
SRV	Supply Research Vessel
STC	Shipping and Transport College
STEM	Science, Technology, Engineering, Mathematics
TNO	Toegepast-natuurwetenschappelijk onderzoek
	- applied science research
TU	Technical University
ULEV	Ultra-Low Emission Vessel
UN	United Nations
URN	Underwater radiated noise
US	United States
USA	United States of America
VR	Virtual Reality
WBCSD	World Business Council for Sustainable
	Developments
XHTML	Extensible HyperText Markup Language
YD	Young Damen

GRI index

GRI standard	Disclosure	Location	Title
GRI 2: Gereral Disclosures 2021		p4	Colophon
	2-2 Entities included in the organization's	p 4 p26-47	Sustainable organisation
	sustainability reporting	p46-47	Corporate Sustainability
	2-3 Reporting period, frequency and contact point	p40-47	Reporting Directive
	2-4 Restatements of information		
	2-5 External assurance	p46-47	Corporate Sustainability Reporting Directive
	2-6 Activities, value chain and other business	p10-25	Damen sustainability roadmap
	relationships 2-7 Employees	p16-17	Key figures 2021
	2-8 Workers who are not employees	p16-17	Key figures 2021
	2-9 Governance structure and composition	p98-101	Responsible business conduct
	2-10 Nomination and selection of the highest	p100-101	Responsible business conduct
	governance body		
	2-11 Chair of the highest governance body	p98-101	Responsible business conduct
	2-12 Role of the highest governance body in overseeing the management of impacts	p98-101	Responsible business conduct
	2-13 Delegation of responsibility for managing	p98-101	Responsible business conduct
	impacts	p30-101	
	2-14 Role of the highest governance body in	p6-9	A word from the board
	sustainability reporting 2-15 Conflicts of interest	p108-111	Compliance/Risk management
	2-16 Communication of critical concerns	p108-111	Compliance/Risk management
	2-17 Collective knowledge of the highest	p100-103	Responsible business conduct/
	governance body		Board
	2-18 Evaluation of the performance of the highest governance body	p98-101	Responsible business conduct/ Board
	2-19 Remuneration policies	p101	Responsible business conduct/
			Board
	2-20 Process to determine remuneration	p101	Responsible business conduct/ Board
	2-21 Annual total compensation ratio		
	2-22 Statement on sustainable development strategy	p22-47	Damen sustainability roadmap/ Sustainable organisation
	2-23 Policy commitments	p22-47	Damen sustainability roadmap/
		per ii	Sustainable organisation
	2-24 Embedding policy commitments	p22-47	Damen sustainability roadmap/ Sustainable organisation
	2-25 Processes to remediate negative impacts	p22-95	Damen sustainability roadmap
	2-26 Mechanisms for seeking advice and	p22-95 p108-111	Compliance/Risk management
	raising concerns	p100 111	e sinplianoo, non management
	2-27 Compliance with laws and regulations	p108-111	Compliance/Risk management
	2-28 Membership associations	p68	Sponsorship
	2-29 Approach to stakeholder engagement	p102-107	Stakeholders/Material topics/ Value creation
	2-30 Collective bargaining agreements		
	3-1 Process to determine material topics	p102-107	Stakeholders/Material topics/
ani 2. Gereral Disclosures 2021		p102-107	Value creation
	3-2 List of material topics	p104	Material topics
	3-3 Management of material topics	p104	Material topics
	201-1 Direct economic value generated and	p16-17	Key figures
Performance 2016			
	201-2 Financial implications and other risks and opportunities due to climate change		
	201-3 Defined benefit plan obligations and other retirement plans		
	201-4 Financial assistance received from		
	government		
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by		
	gender compared to local minimum wage		
	202-2 Proportion of senior management hired		
	from the local community		

GRI index

GRI standard	Disclosure	Location	Title
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts		
	306-2 Management of significant waste-related impacts		
	306-3 Waste generated		
	306-4 Waste diverted from disposal		
	306-5 Waste directed to disposal		
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria		
	308-2 Negative environmental impacts in the supply chain and actions taken		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	p16-17	Key figures
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		
	401-3 Parental leave		
Relations 2016	402-1 Minimum notice periods regarding operational changes		
	403-1 Occupational health and safety management system	p42/50-53	Caring for our people/Because we care/Health and Safety performance 2021
	403-2 Hazard identification, risk assessment, and incident investigation	p42/50-53	Caring for our people/Because we care/Health and Safety performance 2021
	403-3 Occupational health services	p42/50-53	Caring for our people/Because we care/Health and Safety performance 2021
	403-4 Worker participation, consultation, and communication on occupational health and safety	p42/50-53	Caring for our people/Because we care/Health and Safety performance 2021
	403-5 Worker training on occupational health and safety	p42/50-53	Caring for our people/Because we care/Health and Safety performance 2021
	403-6 Promotion of worker health	p42/50-53	Caring for our people/Because we care/Health and Safety performance 2021
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p42/50-53	Caring for our people/Because we care/Health and Safety performance 2021
	403-8 Workers covered by an occupational health and safety management system	p42/50-53	Caring for our people/Because we care/Health and Safety performance 2021
	403-9 Work-related injuries	p52-53	H&S performance 2021
	403-10 Work-related ill health	p52-53	H&S performance 2021
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	p16-17	Key figures
	404-2 Programs for upgrading employee skills and transition assistance programs	p42/p50-55	Caring for our people/H&S performance/Group H&S statistics
	404-3 Percentage of employees receiving regular performance and career development reviews		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees		
	405-2 Ratio of basic salary and remuneration of women to men		H&S performance/Group H&S statistics

GRI standard	Disclosure	Location	Title
	406-1 Incidents of discrimination and corrective actions taken		
Association and Collective	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	p108-111	Compliance/Risk management
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	p108-111	Compliance/Risk management
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	p108-111	Compliance/Risk manageme
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	p108-111	Compliance/Risk management
	411-1 Incidents of violations involving rights of indigenous peoples	p108-111	Compliance/Risk management
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	p62/114-115	Social transformation through the supply chain/Supply chain
	413-2 Operations with significant actual and potential negative impacts on local communities		
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	p62/114-115	Social transformation through the supply chain/Supply chai
	414-2 Negative social impacts in the supply chain and actions taken	p62/114-115	Social transformation through the supply chain/Supply chain
GRI 415: Public Policy 2016	415-1 Political contributions		
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	p42/50-53	Caring for our people/Becaus we care/Health and Safety performance 2021
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	p98-111	Responsible business conduc
	417-2 Incidents of non-compliance concerning product and service information and labeling	p98-111	Responsible business conduc
	417-3 Incidents of non-compliance concerning marketing communications	p98-111	Responsible business condu
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	p98-111	Responsible business conduc









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